

2012

COMPREHENSIVE ANNUAL FINANCIAL REPORT



York Technical College
Comprehensive Annual Financial Report
A Component Unit of the State of South Carolina
Fiscal Year Ended June 30, 2012

Introductory Section

President's Letter	3
List of Commissioners & Officers	5
Organizational Chart	6
Letter of Transmittal	7
Certificate of Achievement	10

Financial Section

Independent Auditor's Report	13
Management's Discussion & Analysis	15

Basic Financial Statements Section

Statement of Net Assets	25
Statement of Revenues, Expenses & Changes in Net Assets	26
Statement of Cash Flows	27
YTC Foundation's Statement of Financial Position	29
YTC Foundation's Statement of Changes in Net Assets	30
Notes to Financial Statements	31

Statistical Section (not covered by the Independent Auditor's Report)

Statistical Section Content Explanation	61
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Financial Trends Section

Sch. 1	Schedule of Net Assets & Changes in Net Assets	65
Sch. 2	Current Fund Expenses by Function	66
Chart	Current Fund Expenses	67
Chart	Expenditure Comparison- Student & Academic Affairs	68
Chart	Auxiliary Enterprises Revenue & Expense Comparison	69
Chart	Expenditure Comparison- Facilities Administrative Support	70
Sch. 3	Schedule of Expenses by Use	71

Revenue Capacity Section

Sch. 4	Schedule of Revenues by Source	75
Chart	Current Fund Revenues	76
Chart	10 Year Revenue Comparison	77
Chart	Total Revenue & Expense Comparison	78
Sch. 5	Annual Tuition & Fees	79
Sch. 6	Admissions Statistics	80
Sch. 7	Student Fall Enrollment Demographics	81
Chart	Student Fall Enrollment Demographics	82
Chart	Student Fall Headcount/FTE Comparison	83
Chart	Distance Learning Enrollment	84
Sch. 8	Continuing Education Division Statistics	85

Debt Capacity Section

Sch. 9	Schedule of Outstanding Debt	89
--------	------------------------------	----

Demographic & Economic Information Section

Sch. 10	Economic Indicators for the College Service Area	93
Sch. 11	Principal Employers by County	94

Operating Information Section

Sch. 12	Faculty & Staff Statistics	97
Sch. 13	Space Utilization	98

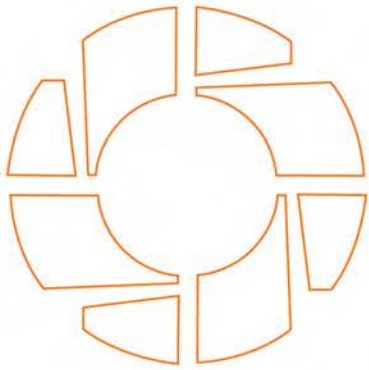
Other Information Section

Sch. 14	Schedule of Current Unrestricted Expenses	101
Sch. 15	Instructional Programs	102
Sch. 16	College Accreditation & Non-Discrimination Policy	106

Single Audit Section

Separate Table of Contents	109
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Introductory Section



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President's Letter

October 26, 2012

Members of the York Technical College Commission and the Community:

I am pleased to present the Comprehensive Annual Financial Report (CAFR) for fiscal year 2011-2012. The purpose of this report is to provide information on the financial operations of the College, to highlight our achievements, and to update you on plans for the coming year.

While growth continues to be important to the College, we understand that our greatest commitment is to help our students be successful in their educational and career goals. Our mission statement, "Building Our Community Through Maximizing Student Success," expresses our commitment to our students and our community. In support of our mission, I met with faculty in fall 2011 to talk candidly about student success. Resulting from this all-faculty session was the development of an Acceleration Team, chosen by their peers, whose goal it was to gain a deeper understanding of the feedback received and to identify value-added actionable and sustainable strategies that maximize classroom time and directly impact student success. Classroom instruction is the most influential time we have with our students. We must have an unrelenting focus on maximizing every moment of that time.

We also welcomed Dr. Julie Phelps, mathematics instructor and project director for Achieve the Dream at Valencia College, to speak to us at our annual employee recognition luncheon on December 20. Dr. Phelps has studied ways to increase student engagement, learning, retention, and graduation among developmental education students. She brought great insight regarding the idea that required education and career planning, combined with a connection to other student support services, provides individuals the much-needed direction to become truly successful college students.

I am extremely proud of our College's history in accreditation. This year, our Machine Tool Technology program received reaccreditation, through the next five years, from the National Institute for Metalworking Skills, Inc. (NIMS). In addition to our success in reaccreditation it is important to note that our Practical Nursing and Registered Nursing Degree programs as well as our Medical Laboratory Technician, Dental Hygiene, and Radiologic Technology programs all produced graduates who obtained a one-hundred percent pass rate on their first attempt at the National Board exams.

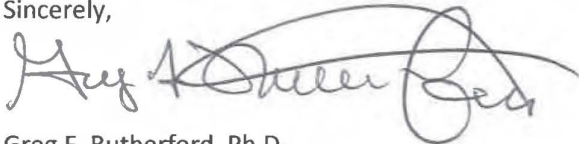
It is no surprise that we have some of the most hardworking, intelligent, and committed faculty in higher education. This is evidenced by their many accomplishments and recognitions throughout the year. To mention one in particular, Mr. John McGill, York Tech's Science Department Chair, was recognized as a finalist for the Governor's Professor of the Year award at a luncheon on the University of South Carolina campus. John was one of 10 finalists selected among 34 candidates nominated by their respective institutions.

Further, in an effort to grow our faculty and staff's potential, we implemented the College's YTC LEAD program. The LEAD program is designed to challenge our potential leaders with the idea that everyone is a leader. Whether you are a leader in the classroom as a faculty member, a staff member serving students or supporting employees, or a direct leader of people – we are all charged with being better than we have to be in support of maximizing student success.

In February, we completed work on our new outdoor collaborative learning space. The area between A-building and B-building was transformed into a beautifully landscaped area for faculty, staff, and students to gather. The inviting, informal space supports our efforts to promote collaboration not only inside the classroom but outside as well. The reality of this outdoor space is just the beginning of Phase I of the Campus Master Plan. The Plan also establishes a Learning Commons that will essentially serve as the hub of campus and will house the library, bookstore, learning support, private study areas, group collaboration areas, and a substantial food service operation.

Finally, in the aftermath of the Great Recession, as had been predicted, college enrollment is leveling off while State funding continues to decline. Historically, these are the most challenging times that our College has seen in terms of available resources and the expectations of us. We are facing significant challenges in the future sustainability of the College; therefore, significant changes are needed to better align us with the realities of our current operating environment. I am proud to report that in spite of budget cuts and other challenges, we've accomplished great things over the past year. Our faculty continues to provide excellent instruction and push for the success of our students. As we look to the future of our campus and its students, we strive for excellence and continue to push to achieve our full potential.

Sincerely,

A handwritten signature in dark ink, appearing to read "Greg F. Rutherford". The signature is fluid and cursive, with a large, sweeping initial "G" and a stylized "R".

Greg F. Rutherford, Ph.D.
President

YORK TECHNICAL COLLEGE
Commission Members - Administrative Staff - Service Area
For the Year Ended June 30, 2012

Period Covered

Fiscal Year Ended June 30, 2012.

<u>York Technical College Commission Members</u>	<u>County</u>	<u>Term Expires</u>
Charles Z. Robinson, Chair	York	2013
Geri H. Rucker, Vice-Chair	York	2014
B. Anthony Vaughan	York	2013
E. Paul Basha	York	2014
Claudia L. Douglass	York	2015
Harry M. Miller, Jr.	York	2014
Jeffrey C. Sigmon	York	2016
James C. Hardin, III	York	2016
Vacant	York	
Dr. A. Douglas Marion	Chester	2015
Vacant	Lancaster	

All terms begin on April 15.

College Administrative Staff

Gregory F. Rutherford	President
Carolyn G. Stewart	Executive Vice President for Academic and Student Affairs
Marc C. Tarplee	Vice President for Business Services
Melanie Jones	Vice President for College Advancement
Bridgett Golman	Associate Vice President for Student Affairs

Service Area

York, Chester and Lancaster Counties

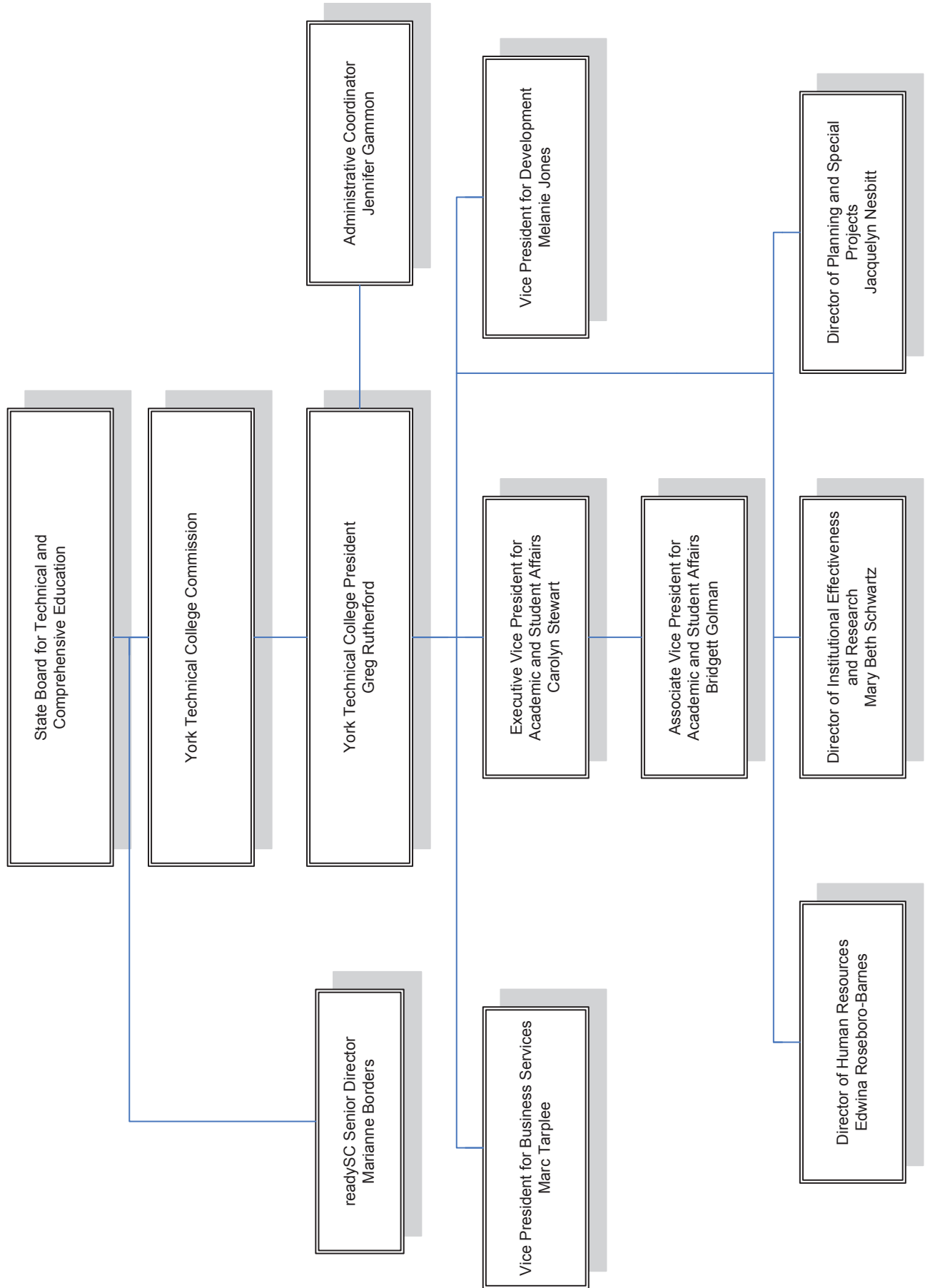
Entities Providing Financial Support

York County
Lancaster County
Chester County

S.C. Board for Technical & Comprehensive Education	U.S. Department of Transportation
S.C. State Budget and Control Board	S.C. Department of Education
U.S. Department of Agriculture	S.C. Commission on Higher Education
U.S. Department of Energy	National Science Foundation
U.S. Department of Education	U.S. Department of Veteran's Affairs
U.S. Department of Labor	
S.C. Department of Health and Environmental Control	

York Technical College

Organizational Chart



To the Members of the Area Commission for York Technical College:

The College is pleased to present to you the Comprehensive Annual Financial Report for York Technical College for the year ended June 30, 2012. The report of our independent public accountants, Cline, Brandt, Kochenower Company, expresses an unqualified opinion on the basic financial statements. Responsibility for both the accuracy of the data presented and the completeness and fairness of the presentation, including all disclosures, is assumed by the Office of the Vice President for Business Services. To the best of our knowledge and belief, the information presented is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the College at the end of that fiscal year.

Generally Accepted Accounting Principles (GAAP) require that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement MD&A and should be read in conjunction with it. York Technical College's MD&A can be found immediately following the report of the independent auditors.

ENTITY

York Technical College is one of 16 technical colleges that comprise the South Carolina Technical College System, which is an agency of the State of South Carolina. York Technical College is a comprehensive public, two-year college serving the citizens of York, Chester and Lancaster counties.

The College offers:

- Associate degrees in the following areas:
 - Vocational
 - Technical
 - Occupational
 - University transfer
- Diplomas and certificates in the following areas:
 - Vocational
 - Technical
 - Occupational
- Developmental and remedial education
- Custom-designed continuing education for business and industry
- ReadySC to train potential employees for new and expanding manufacturing companies
- Student development and lifelong learning opportunities.

BASIC HISTORY OF YORK TECHNICAL COLLEGE

In early 1960 former Governor Ernest F. Hollings initiated a state educational system, motivated by the idea that if South Carolina could offer a well-trained work force, the state would attract more business and industry. This training was to be provided by a system of thirteen technical colleges (currently sixteen colleges). In 1961 the South Carolina general Assembly passed Act 323, which provided for the appointment of an advisory committee to study the feasibility of establishing a network of centers for technical training in strategic positions throughout the state. The purpose of these centers was "to prepare individuals for entry into or progressing in employment in industrial and technical pursuits or designed to improve conditions which result in improved citizenship." These centers would be located at points which would be readily accessible to a large majority of the state's population.

York Technical College opened in 1964 as a technical education center with sixty students enrolled in seven programs housed in one building. In 1974 York County Technical Education Center became York Technical College. The college has grown in the past four decades from the initial enrollment of 60 students to nearly 6000 enrolled during the fall of 2011 in more than 80 credit programs. In addition to its academic programs, the College provides continuing education for more than 9000 area residents and numerous businesses each year. The College campus has ~~also~~ grown from one building to a multi-site operation with fifteen buildings on the main campus alone.

The York Technical College Foundation is controlled by a separate board of directors. It is a component unit of York Technical College and its financial data is included by discrete presentation.

ECONOMIC CONDITION AND OUTLOOK

A primary mission of the technical colleges is to support economic development through education and training for the citizens of the State of South Carolina. Public higher education in general and York Technical College in particular are impacted by economic conditions in the state as well as funding priorities established by the South Carolina Legislature. The College's financial condition is also impacted by local economic conditions in the counties it serves and by their funding priorities.

Another item to consider is the Lottery Tuition Assistance Program, which awarded to eligible students during the 2011-2012 academic years approximately 58% of their total tuition. The Legislature is not required by statute to provide a specific amount for the Lottery Tuition Assistance program, so there is no guarantee that eligible students will receive an award.

A slow economic recovery has provided little relief for South Carolina and York Technical College. Although unemployment in York, Chester, and Lancaster counties has slowly begun to decrease, a trend which will continue over the next year, demand for new workers will remain low. The slow pace of the recovery has left most companies in a tight cash-flow position and they are reluctant to spend money for any training other than what is absolutely necessary to maintain current operations. A bright spot in this picture has been the College's Tech Scholars program, through which companies create the future high-skilled workforce they will need by sponsoring a current student at the college. To address enrollment declines, the college is currently restructuring its enrollment management operations to help it recruit more and better-prepared students for its technical and transfer programs.

FINANCIAL INFORMATION

The management team of the College is responsible for establishing and maintaining internal control policies and procedures to safeguard the assets of the College. As part of this responsibility, the management of the Business Services Division of the College ensures that its financial statements are prepared in conformity with generally accepted accounting principles. The internal accounting control structure is designed to provide reasonable but not absolute assurance that these objectives are met. The concept of reasonable assurance recognizes that: 1) the cost of a control should not exceed the benefits likely to be derived; and 2) the evaluation of costs and benefits requires estimates and judgments by management. Accordingly, organizational structure, policies and procedures have been established to safeguard assets, ensure the reliability of accounting data, promote efficient operations, and ensure compliance with established governmental laws, regulations and policies, College policies, and other requirements of sponsors to whom the College is accountable. Annual audits are conducted under the authority of the South Carolina State Auditor with testing to ensure the adequacy of internal controls and the College's compliance with applicable laws and regulations.

As a recipient of federal financial awards, the College is responsible for ensuring compliance with all applicable laws and regulations relating to such assistance. A combination of State and College policies and procedures, integrated with College's system of internal controls, provides for this compliance.

The College undergoes an annual examination of its federal financial assistance programs in accordance with U.S. Office of Management and Budget Circular A-133.

BUDGETARY

The College has proactively managed its budget which is based on reasonable projections of future funding. The College uses various methods of budgetary control which help ensure compliance with the annual budget adopted by the Area Commission. Line-item budgeting, the method that budgets by organizational unit and object, is used by the College. This method is consistent with the lines of authority and responsibility in each organizational unit and allows accumulation of expenditure data at each functional level. The approach also enhances organizational control and provides a benchmark for use in trend or historical analysis. The College's budget is implicitly linked to financial accountability and relates to financial reporting objectives established by the GASB. The College also uses

an encumbrance accounting system as an additional measure in accomplishing budgetary control. Open encumbrances are reported as Allocations of Fund Balance at year end. As demonstrated by the financial statements and schedules included in the financial section of this report, management of the College continues to meet its responsibility for sound financial management and its student-centered mission.

FINANCIAL POLICIES AND LONG-TERM FINANCIAL PLANNING

In response to historically low levels of state funding and the countercyclical nature of the its enrollment, the college has developed long-range financial models that provide a deeper insight into the effects of intermediate term enrollment declines, consequences of various cost-containment strategies, and information required for long-range capital planning. These models permit the college to improve the accuracy of its annual budgets through more thoughtful and accurate revenue projections and more realistic forecasts of costs.

DEBT ADMINISTRATION

The College had total outstanding debt of \$213,018 at fiscal year end June 30, 2012. The proceeds were used to construct a training facility at Waterford Business Park and are secured by York County Government. Additional non-interest bearing debt of \$36,763.35 was incurred during fiscal year 2011 in conjunction with an American Recovery and Reinvestment Act (ARRA) grant award. The annual principal and interest expense will be offset by energy expense savings realized from energy efficiency improvements to a major building facility.

INDEPENDENT AUDIT

The financial statements have been audited by Cline, Brandt, Kochenower Inc., independent certified public accountants. The Independent Auditors' Report is included in the financial section of this report and reflects an unqualified opinion on the basic financial statements. The College complies with the requirements of the Single Audit Act for which separate reports are issued.

CERTIFICATE OF ACHIEVEMENT

The Government Finance Officers' Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to York Technical College for its comprehensive annual financial report for the fiscal year ended June 30, 2011. This was the sixteenth consecutive year that York Technical College achieved this prestigious award.

In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year. We believe our current comprehensive annual financial report continues to meet the Certificate of Achievement Program requirements and will be submitted to GFOA to determine its eligibility for another certificate.

ACKNOWLEDGEMENTS

It is incumbent upon us to thank the York Technical College Commission and the President of the College for their interest and support in conducting the fiscal affairs of the College in a highly responsible and professional manner. The preparation of this report on a timely basis could not have been accomplished without the efficient and dedicated services of the Business Services Division staff and other departments and individuals who assisted in the preparation of this report. Our appreciation is also expressed to our independent auditors, Cline, Brandt, Kochenower and Company for the timely completion of the audit.

Certificate of Achievement for Excellence in Financial Reporting

Presented to

York Technical College
South Carolina

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 30, 2011

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.

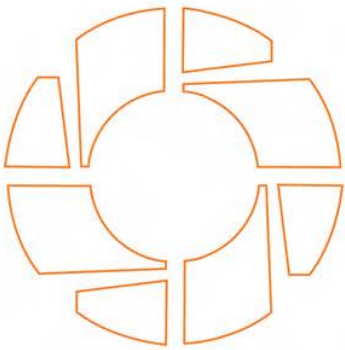


Linda C. Davidson

President

Jeffrey R. Enner

Executive Director



Financial Section



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Independent Auditors' Report

York Technical College
Rock Hill, South Carolina

We have audited the accompanying financial statements of the business-type activities of York Technical College as of and for the years ended June 30, 2012 and June 30, 2011, which collectively comprise the College's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the College's management. Our responsibility is to express an opinion on these financial statements based on our audit. We did not audit the financial statements of the York Technical College Foundation, Inc. The York Technical College Foundation, Inc. reflects 100% of total assets, 100% of net assets, and 100% of total revenues of the discretely presented component unit. Those financial statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the York Technical College Foundation, Inc., is based on the report of the other auditors.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States and the *State Board for Technical and Comprehensive Education Reporting Guide*. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. The financial statements of the York Technical Foundation, Inc. were not audited in accordance with *Government Auditing Standards*. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion the financial statements referred to above present fairly, in all material respects, the respective financial position of York Technical College and its discretely presented component unit, as of June 30, 2012 and June 30, 2011, and the changes in financial position, and cash flows thereof for the years then ended, in conformity with accounting principles generally accepted in the United States of America.

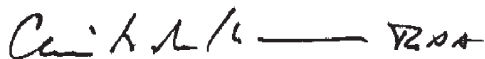
As described in Note 1 to the financial statements, the College adopted, effective for the fiscal year ended June 30, 2012, a monthly depreciation convention for the straight-line method consistent with the policy of the State of South Carolina.

In accordance with *Government Auditing Standards*, we have also issued our report dated September 14, 2012 on our consideration of York Technical College's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant and agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

We have also issued our report dated September 14, 2012 on our consideration of York Technical College's administration of the State Lottery Assistance Program and on our test of its compliance with certain provisions of State law and policy 3-2-307 and Procedure 3-2-307.1 of the State Board for Technical and Comprehensive Education.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis as listed in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the York Technical College's financial statements as a whole. The introductory section and the statistical section as listed in the table of contents are presented for purposes of additional analysis and are not a required part of the financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the US Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the financial statements of the College. The schedule of expenditures of federal awards is the responsibility of management and was derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion, the information is fairly stated in all material respects in relation to the financial statements taken as a whole. The introductory section and statistical section have not been subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we do not express an opinion or provide any assurance on it.



September 14, 2012

**MANAGEMENT'S DISCUSSION AND ANALYSIS
YORK TECHNICAL COLLEGE
JUNE 30, 2012**

This section of York Technical College's Annual Financial Report presents management's discussion and analysis of the College's financial performance during the fiscal year ended June 30, 2012. This discussion should be read in conjunction with financial statements and the notes thereto, which follow this section.

Financial Highlights

- The assets of York Technical College exceeded liabilities by \$49,090,888 as of June 30, 2012 (net assets). Of this amount, \$24,408,476 (unrestricted net assets) may be used to meet the College's ongoing obligations from unrestricted activities.
- The College's net assets increased by \$1,675,937 or 3.5%, primarily in the category of current assets.
- The College experienced an operating loss of \$23,839,066 as reported in the Statement of Revenues, Expenses, and Changes in Net Assets. However, state appropriations of \$5,583,246, local appropriations of \$4,357,480, interest income of \$190,867, state grants and contracts of \$166,893, federal grants and contracts of \$13,927,451, other non-operating revenues of \$49,585, and local capital appropriations of \$1,240,592 offset this operating loss.

Overview of the Financial Statements

The College is engaged only in Business-Type Activities (BTA) financed in part by fees charged to students for educational services. Accordingly, its activities are reported using the three financial statements required for proprietary funds: Statement of Net Assets; Statement of Revenues, Expenses, and Changes in Net Assets; and Statement of Cash Flows.

The Statement of Net Assets presents the financial position of the College at the end of the fiscal year and requires classification of assets and liabilities into current and non-current categories. The difference between total assets and total liabilities is reflected in the net assets section, which displays net assets in three broad categories: invested in capital assets (net of related debt), restricted, and unrestricted. Net assets are one indicator of the current financial condition of the College, while the change in net assets is an indicator that the overall financial condition has improved or worsened during the year.

The Statement of Revenues, Expenses, and Changes in Net Assets replaces the fund perspective with the entity-wide perspective. Revenues and expenses are categorized as operating or non-operating. In addition, expenses are reported by object code.

The Statement of Cash Flows will aid readers in identifying the sources and uses of cash by the major categories of operating, capital and related financing, noncapital financing, and investing activities. This statement also emphasizes the College's dependence on state and county appropriations by separating them from operating cash flows.

Accordingly, the financial statements include the accounts of York Technical College as the primary government and the accounts of York Technical College Foundation (the "Foundation"), its component unit. The College is part of the primary government of the State of South Carolina. However, based on the nature and significance of the Foundation's relationship with the State of South Carolina, the Foundation is not a component unit of the State of South Carolina.

Financial Analysis

Statement of Net Assets:

Net assets may serve over time as a useful indicator of an entity's financial position. In the case of the College, assets exceeded liabilities by \$49,090,888 at fiscal year ended June 30, 2012; \$47,414,951 at fiscal year ended June 30, 2011; and by \$44,147,736 at fiscal year ended 2010.

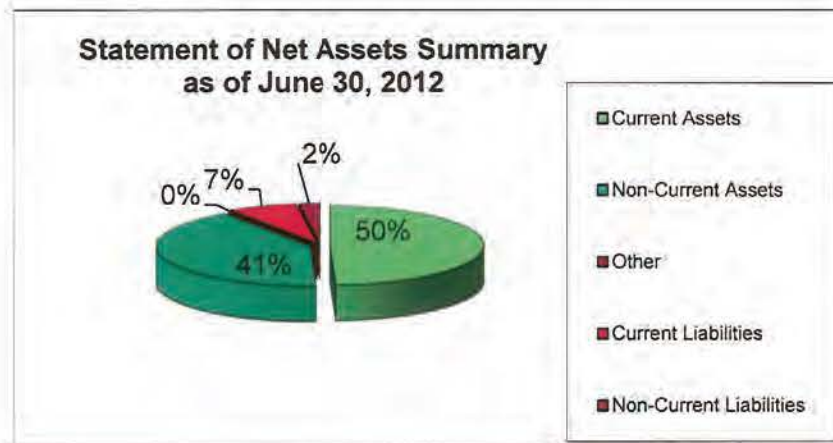
Approximately one-half of the College's net assets \$24,682,412 (50.3%) is reflected in its investments in capital assets (e.g., land, buildings, machinery, and equipment), less any related outstanding debt used to acquire those assets. The College uses these capital assets to provide services to students; consequently, these assets are not available for future spending. Although the College's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities. See Note 4 in the financial statements for further disclosure of capital assets.

Unrestricted net assets of \$24,408,476 (49.7%) may be used to meet the College's ongoing obligations.

The following schedule is prepared from the College's Statement of Net Assets, which is presented on an accrual basis of accounting whereby assets are capitalized and depreciated. Note that assets substantially exceed liabilities, denoting a sound financial condition for the College.

Net Assets
as of June 30, 2012, June 30, 2011, and June 30, 2010
(in millions)

	2012		Increase/ 2011 Decrease		Increase/ 2010 Decrease
ASSETS					
Current Assets	\$ 29.9	\$ 27.7	\$ 2.2	\$ 23.4	\$ 4.3
Non-current Assets					
Capital Assets, Net of Accumulated Depreciation	\$ 24.9	\$ 25.6	\$ (0.7)	\$ 26.5	\$ (0.9)
TOTAL ASSETS	\$ 54.8	\$ 53.3	\$ 1.5	\$ 49.9	\$ 3.4
LIABILITIES					
Current Liabilities	\$ 4.4	\$ 4.4	\$ -	\$ 4.1	\$ 0.3
Non-current Liabilities	\$ 1.3	\$ 1.4	\$ (0.1)	\$ 1.6	\$ (0.2)
TOTAL LIABILITIES	\$ 5.7	\$ 5.8	\$ (0.1)	\$ 5.7	\$ 0.1
NET ASSETS					
Invested in Capital Assets, Net of Related Debt	\$ 24.7	\$ 25.2	\$ (0.5)	\$ 26.0	\$ (0.8)
Unrestricted	\$ 24.4	\$ 22.2	\$ 2.2	\$ 18.1	\$ 4.1
TOTAL NET ASSETS	\$ 49.1	\$ 47.4	\$ 1.7	\$ 44.1	\$ 3.3



Statement of Cash Flows:

The Statement of Cash Flows is concerned solely with the flows of cash in and out of the College. Consequently, only transactions that affect the College's cash account are reported in this statement.

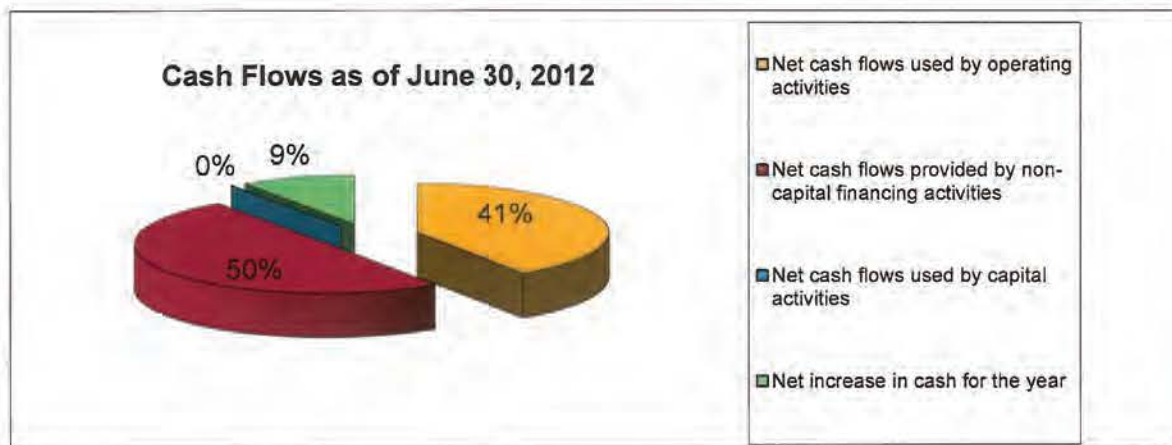
**Summary of Cash Flows
As of June 30, 2012, June 30, 2011, and June 30, 2010
(in millions)**

	2012		2011	Increase/ Decrease		2010	Increase/ Decrease
Net cash used by operating activities	\$ (19.4)	\$	(21.8)	\$ 2.4	\$	(20.1)	\$ (1.7)
Net cash flows from non-capital financing activities	\$ 23.8	\$	26.1	\$ (2.3)	\$	23.8	\$ 2.3
Net cash flows used by capital and related financing activities	\$ -	\$	(0.7)	\$ 0.7	\$	(0.4)	\$ (0.3)
Net cash flows from investing activities	\$ 0.2	\$	0.1	\$ 0.1	\$	0.05	\$ 0.05
Net increase/decrease in cash	\$ 4.6	\$	3.7	\$ 0.9	\$	3.4	\$ 0.35

Cash increased by \$4,577,200 during FYE 2012, primarily as a result of a return from operations of \$1.7M and a decrease in receivables of \$2.4M.

MANAGEMENT'S DISCUSSION AND ANALYSIS – Continued
YORK TECHNICAL COLLEGE

The College believes that a strong cash position is essential to its long-term viability. As state funding for operations and capital projects continually decreases, the College must generate its own financial resources to fund maintenance, future construction, updating of academic equipment, and the launch of new programs.



Statement of Revenues, Expenses, and Changes in Net Assets:

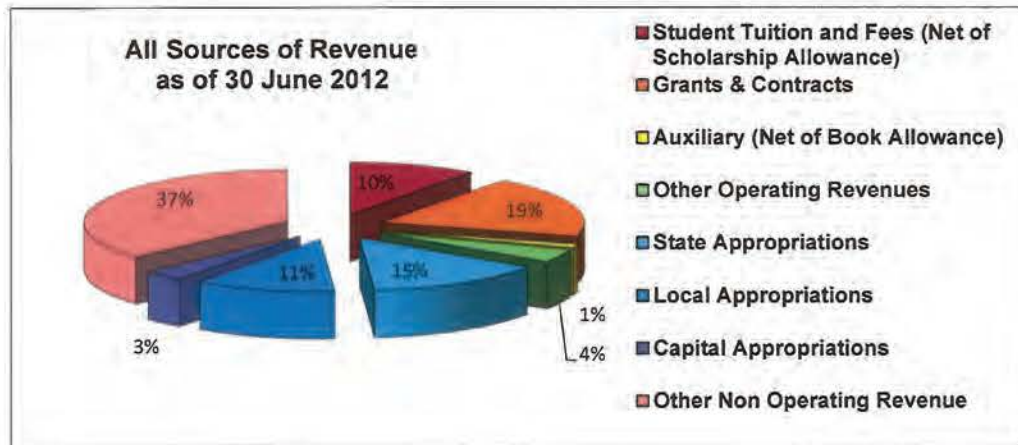
The Statement of Revenues, Expenses and Changes in Net Assets presents and categorizes revenues earned and expenses incurred during the year by operating and non-operating. Generally, operating revenues and expenses are those received and used to carry out the mission of the College, although certain revenues such as state and local financial support are classified as non-operating revenues. As a result, the College will show an operating deficit, but inclusion of non-operating revenue results in an overall increase in net assets for the year. State and local capital appropriations and capital grants and gifts are considered neither operating nor non-operating revenues and are reported below in the schedule.

Statement of Revenue, Expense and Net Assets
As of June 30, 2012, June 30, 2011, and June 30, 2010
(in millions)

	2012		Increase/ 2011 Decrease	2010	Increase/ Decrease
Operating Revenue					
Tuition and Fees (Net of Scholarship Allowance)	\$ 7.7	\$ 7.3	\$ 0.4	7.1	\$ 0.2
Grants and Contracts	\$ 7.4	\$ 9.6	\$ (2.2)	10.8	\$ (1.2)
Auxiliary	\$ 0.4	\$ 0.6	\$ (0.2)	0.7	\$ (0.1)
Other	\$ 1.6	\$ 1.7	\$ (0.1)	1.5	\$ 0.2
Total Operating Revenue	\$ 17.1	\$ 19.2	\$ (2.1)	\$ 20.1	\$ (0.9)
Less Operating Expenses	\$ 41.0	\$ 42.2	\$ (1.2)	\$ 41.1	\$ 1.1
Net Operating Loss	\$ (23.9)	\$ (23.0)	\$ (0.9)	\$ (21.0)	\$ (2.0)
Non-operating Revenue					
State Appropriations	\$ 5.6	\$ 5.7	\$ (0.1)	\$ 6.4	\$ (0.7)
Local Appropriations	\$ 4.4	\$ 4.2	\$ 0.2	\$ 4.1	\$ 0.1
Federal Grants and Contracts	\$ 13.9	\$ 15.5	\$ (1.6)	\$ 12.1	\$ 3.4
Proceeds from Local Capital Appropriations	\$ 1.2	\$ -	\$ 1.2	\$ 0.3	\$ (0.3)
Proceeds from State Capital Appropriations	\$ 0.1	\$ -	\$ 0.1	\$ -	\$ -
Other	\$ 0.4	\$ 0.8	\$ (0.4)	\$ 0.5	\$ 0.3
Total Non-operating Revenue	\$ 25.5	\$ 26.2	\$ (0.7)	\$ 23.4	\$ 2.8
Increase in Net Assets	\$ 1.7	\$ 3.2	\$ (1.5)	\$ 2.4	\$ 0.8
Increase in Net Assets	\$ 1.7	\$ 3.2	\$ (1.5)	\$ 2.4	\$ 0.8
Prior Period Adjustments	\$ -	\$ -	\$ -	\$ -	\$ -
Net Assets, Beginning of Year	\$ 47.4	\$ 44.1	\$ 3.3	\$ 41.8	\$ 2.3
Net Assets, End of Year	\$ 49.1	\$ 47.3	\$ 1.8	\$ 44.2	\$ 3.1

Revenues

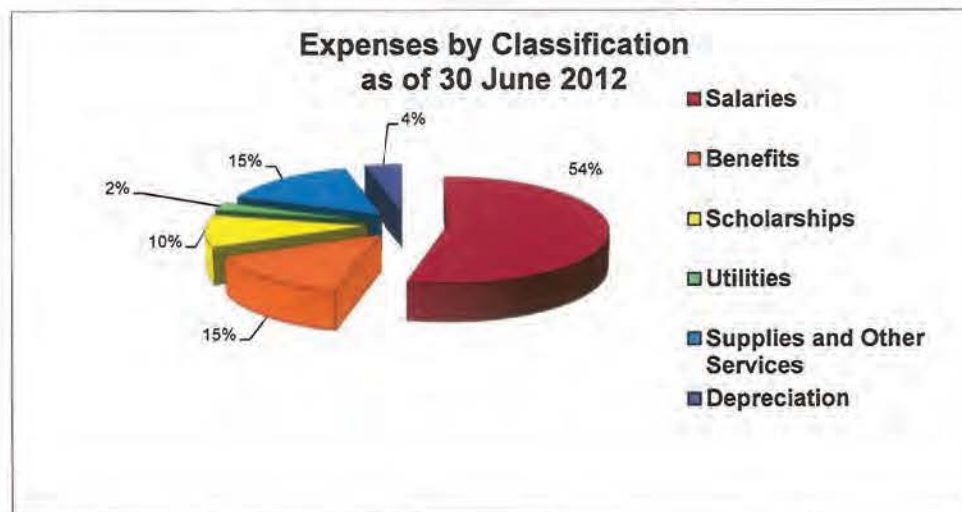
Total revenues for FYE 2012 were \$42,675,058 to which the largest contributors were other non-operating revenues and grants/contracts. More than 95% of the other non-operating revenues are Pell Grants, which is Federal needs-based financial aid awarded to students. When considered in concert with tuition (18% of revenues), nearly one-half (51%) of the College's total revenue is student-driven. In contrast, state and local appropriations make up approximately one-quarter of total revenues, with much of the balance coming from grants and contracts. This trend towards a student-driven business model is expected to continue as state appropriations continue to decrease.



Expenses

Total expenses for FYE 2012 were \$40,998,010 a decrease of approximately 3% from FYE 2011. The largest expense component was salaries, totaling \$20,125,267. Of this amount, approximately 69% is identified as instructional and academic support. Supplies and other services is the second largest component of expenses. Note 12 in the accompanying Notes to the Financial Statements identifies operating expenses by functional classification.

All expense categories decreased with respect to FYE 2011 results, with the exception of benefits, which rose 1% due to an increase in health insurance premiums. The most significant decreases occurred in supplies and other services (down 25%) and utilities (down 14%). Decreased enrollment, more aggressive budget management, and better-managed procurement processes contributed to the decrease in supplies and services, while a mild winter and campus-wide improvements in lighting and HVAC reduced utility costs.



MANAGEMENT'S DISCUSSION AND ANALYSIS – Continued
YORK TECHNICAL COLLEGE

Capital Assets and Debt Administration

The College's capital assets at June 30, 2012 were \$24,895,430, a net decrease of \$670,422 from the prior fiscal year. The decrease was primarily because there were no major capital acquisitions to offset the depreciation expense. The College completed two master plan projects during the year: the A parking lot expansion and landscape/streetscape improvements along Hood Center Drive.

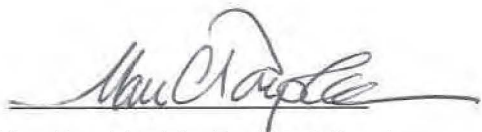
The College increased its net assets by \$1,675,937 without incurring additional debt. More detailed information on long-term debt activity and capital asset activity can be found in Notes 4, 9, and 15 following the basic financial statements.

Economic Factors

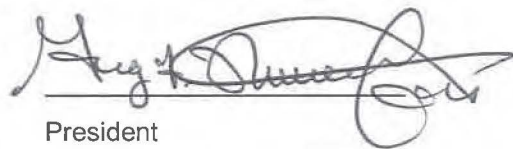
Enrollment declined during this fiscal year and is expected to decline by up to 14% in FYE 2013. The decline was anticipated, given the generally countercyclical relationship between economic conditions and enrollment, the shift of emphasis of the Workforce Investment Act from job training to job placement, and the major reduction in the pool of unemployed workers needing retraining. State appropriations for salary and fringes have remained essentially constant at approximately \$5.4M and are not expected to change materially in FY 2013. To ensure that the College can be viable in this new economic environment, new revenue sources (course fees) were added, some functions were reorganized in order to be more effective, and marketing activities were reengineered to attract more students.

As the economy slowly improves, enrollment is expected to level out in FYE 2014, and grow very slowly during the remainder of the decade. Reductions in state appropriations are anticipated as early as FYE 2014, so the College must take steps now to secure its future. Enrollment management and program offerings will have the greatest impact on student success and fiscal viability. Recruiting, registering, and retaining students yields better outcomes at less cost to the institution, and actively managing program offerings provides an appropriate balance between options for students and appropriate levels of cash flow needed by the institution for reinvestment and growth.

As we move forward, we find ourselves in a new paradigm; one in which the College is primarily accountable for its financial sustainability. We believe the College is well-positioned to succeed in this new role and our mission of *Building the Community through Maximizing Student Success* will be the cornerstone of the future we build for our institution and our students.

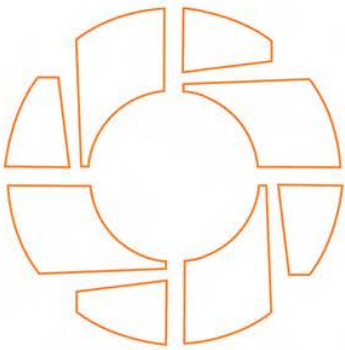


Vice President for Business Services



President

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Basic Financial Statements Section



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YORK TECHNICAL COLLEGE
Statement of Net Assets
June 30, 2012

	June 30 2012	June 30 2011
ASSETS		
CURRENT ASSETS		
Cash and Cash Equivalents	\$ 26,543,427	21,966,227
Accounts Receivable, Net	3,351,188	5,732,023
Other Assets	35,862	8,815
Total Current Assets	29,930,477	27,707,065
NONCURRENT ASSETS		
Capital Assets, Net of Accumulated Depreciation	24,895,430	25,565,852
Total Noncurrent Assets	24,895,430	25,565,852
Total Assets	54,825,907	53,272,917
LIABILITIES		
CURRENT LIABILITIES		
Accounts Payable	758,639	1,143,625
Payroll Liabilities	1,151,540	922,597
Deferred Revenue	2,167,980	2,083,105
Notes Payable - Current	188,508	165,971
Funds Held for Others	1,681	3,243
Accrued Compensated Absences - Current	135,153	101,791
Total Current Liabilities	4,403,501	4,420,332
NONCURRENT LIABILITIES		
Accrued Compensated Absences - Long Term	1,307,008	1,214,051
Note Payable - Long Term	24,510	223,583
Total Noncurrent Liabilities	1,331,518	1,437,634
Total Liabilities	5,735,019	5,857,966
NET ASSETS		
Invested in Capital Assets, Net of Related Debt	24,682,412	25,176,298
Unrestricted	24,408,476	22,238,653
Total Net Assets	\$ 49,090,888	47,414,951

SEE NOTES TO FINANCIAL STATEMENTS

YORK TECHNICAL COLLEGE
Statement of Revenues, Expenses, and Changes in Net Assets
For the Year Ended June 30, 2012

	June 30 <u>2012</u>	June 30 <u>2011</u>
REVENUES		
OPERATING REVENUES		
Student Tuition and Fees (Net of Scholarship Allowance)	\$ 7,716,690	7,394,641
Federal Grants and Contracts	2,266,978	4,800,053
State and Local Grants and Contracts	5,168,120	4,801,647
Sales and Services of Educational Departments	1,068,682	1,054,132
Auxiliary Enterprises	442,157	598,160
Other Operating Revenues	496,317	593,653
Total Operating Revenues	<u>17,158,944</u>	<u>19,242,286</u>
EXPENSES		
OPERATING EXPENSES		
Salaries	20,125,267	20,294,453
Benefits	5,447,966	5,385,602
Scholarships	7,411,907	6,363,375
Utilities	939,880	1,087,878
Supplies and Other Services	5,529,434	7,497,711
Depreciation	1,543,556	1,572,355
Total Operating Expenses	<u>40,998,010</u>	<u>42,201,374</u>
Operating Income (Loss)	<u>(23,839,066)</u>	<u>(22,959,088)</u>
NONOPERATING REVENUES		
State Appropriations		
Salary and Fringes	5,357,821	5,542,505
Lottery Technology Funds	171,579	118,807
Pathways Initiative	53,846	-
County Appropriations	4,357,480	4,235,326
Interest Income	190,867	136,155
Federal Grants and Contracts	13,927,451	15,475,990
State and Local Grants and Contracts	166,893	717,520
Other Nonoperating Revenues	49,585	-
Net Nonoperating Revenues	<u>24,275,522</u>	<u>26,226,303</u>
Income (Loss) Before Other Revenues, Expenses	436,456	3,267,215
Gains or Losses	(1,111)	-
Local Capital Appropriations	<u>1,240,592</u>	-
Increase in Net Assets	1,675,937	3,267,215
NET ASSETS		
Net Assets - Beginning of Year	<u>47,414,951</u>	<u>44,147,736</u>
Net Assets - End of Year	<u>\$ 49,090,888</u>	<u>47,414,951</u>

SEE NOTES TO FINANCIAL STATEMENTS

YORK TECHNICAL COLLEGE
Statement of Cash Flows
For the Year Ended June 30, 2012

	June 30 <u>2012</u>	June 30 <u>2011</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Tuition and Fees	\$ 21,710,352	21,389,526
Tuition and Fees - Scholarship Allowance	(12,627,646)	(13,495,433)
Federal, State and Local Grants and Contracts	9,063,523	8,442,693
Sales and Services of Educational Departments	1,068,682	1,054,132
Auxiliary Enterprise Charges	442,157	598,160
Other Receipts	487,293	587,069
Payments and Vendors	(14,293,253)	(15,001,182)
Payments to Employees	<u>(25,217,971)</u>	<u>(25,337,371)</u>
Net Cash Provided (Used) by Operating Activities	<u>(19,366,863)</u>	<u>(21,762,406)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
State Appropriations	5,583,246	5,661,311
County Appropriations	4,357,480	4,235,326
State , Local and Federal Grants, Gifts and Contracts - Non Operating	<u>13,806,275</u>	<u>16,218,302</u>
Net Cash Flows Provided by Noncapital Financing Activities	<u>23,747,001</u>	<u>26,114,939</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
County Appropriations	1,056,977	-
Notes Payable - Proceeds	-	36,766
Notes Payable - Payments	(176,537)	(159,359)
Purchase of Capital Assets	<u>(874,245)</u>	<u>(605,753)</u>
Net Cash Provided by Capital and Related Financing Activities	<u>6,195</u>	<u>(728,346)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest on Investments	<u>190,867</u>	<u>136,155</u>
Net Cash Flows Provided (Used) by Investing Activities	<u>190,867</u>	<u>136,155</u>
Net Increase in Cash	4,577,200	3,760,342
Cash - Beginning of Year	<u>21,966,227</u>	<u>18,205,885</u>
Cash - End of Year	<u><u>\$ 26,543,427</u></u>	<u><u>21,966,227</u></u>

SEE NOTES TO FINANCIAL STATEMENTS

YORK TECHNICAL COLLEGE
Statement of Cash Flows, Continued
For the Year Ended June 30, 2012

	June 30	Restated June 30
	2012	2011
Reconciliation of Net Operating Revenue (Expenses) to Net Cash Provided (Used) by Operating Activities:		
Operating Income (Loss)	\$ (23,839,066)	(22,959,089)
Depreciation Expense	1,543,556	1,572,356
Change in Assets and Liabilities		
Funds Held for Others	(1,562)	-
Receivables, Net	2,902,105	(610,957)
Inventories	-	8,623
Deferred Charges and Prepaid Expenses	(27,047)	(3,188)
Accounts Payable	(156,043)	336,853
Compensated Absences	126,319	(51,821)
Deferred Revenue Operating Portion	84,875	(55,183)
Net Cash Provided (Used) by Operating Activities	<u>\$ (19,366,863)</u>	<u>(21,762,406)</u>

SEE NOTES TO FINANCIAL STATEMENTS

YORK TECHNICAL COLLEGE
Component Unit
York Technical College Foundation
Statement of Financial Position
For the Year Ended June 30, 2012

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
ASSETS				
Cash and Cash Equivalents	\$ 135,913	1,271,504	1,247,843	2,655,260
Investments	-	2,410	2,365,434	2,367,844
Accounts Receivable	-	58,210	-	58,210
Contributions Receivable, Net of Allowance of \$4,358	-	104,610		104,610
Property, Plant and Equipment Net of Accumulated Depreciation	752,470	291,152	-	1,043,622
Due from Other Funds	87,180	356,050	-	*
Total Assets	<u>\$ 975,563</u>	<u>2,083,936</u>	<u>3,613,277</u>	<u>6,229,546</u>
LIABILITIES AND NET ASSETS				
Liabilities:				
Accounts Payable	\$ -	54,250	-	54,250
Sales Tax Payable	-	23,420	-	23,420
Due to Other Funds	-	-	443,230	*
Total Liabilities	<u>-</u>	<u>77,670</u>	<u>443,230</u>	<u>77,670</u>
Net Assets	<u>975,563</u>	<u>2,006,266</u>	<u>3,170,047</u>	<u>6,151,876</u>
Total Liabilities and Net Assets	<u>\$ 975,563</u>	<u>2,083,936</u>	<u>3,613,277</u>	<u>6,229,546</u>

* Interfund accounts do not constitute assets or liabilities of the foundation as a whole.

SEE NOTES TO FINANCIAL STATEMENTS

YORK TECHNICAL COLLEGE
Component Unit
York Technical College Foundation
Statement of Changes in Net Assets
For the Year Ended June 30, 2012

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
REVENUE, GAINS AND OTHER SUPPORT				
Contributions, Net	\$ 25,148	314,952	52,868	392,968
Investment Income	1,677	(35,522)	-	(33,845)
Rental Income	95,404	-	-	95,404
Net Assets Released from Restrictions:				
Satisfaction of Program Restrictions	664,522	(664,780)	258	-
Total Revenues, Gains and Other Support	<u>\$ 786,751</u>	<u>(385,350)</u>	<u>53,126</u>	<u>454,527</u>
EXPENSES				
Program Services				
Capital Outlay	536,954	-	-	536,954
General and Administrative	98,412	-	-	98,412
Scholarships	95,895	-	-	95,895
Support Services				
Management and General	89,267	-	-	89,267
Fund Raising	5,687	-	-	5,687
Total Expenses	<u>826,215</u>	<u>-</u>	<u>-</u>	<u>826,215</u>
Change in Net Assets	<u>(39,464)</u>	<u>(385,350)</u>	<u>53,126</u>	<u>(371,688)</u>
Net Assets at Beginning of Year	<u>1,015,027</u>	<u>2,391,616</u>	<u>3,116,921</u>	<u>6,523,564</u>
Net Assets at End of Year	<u><u>\$ 975,563</u></u>	<u><u>2,006,266</u></u>	<u><u>3,170,047</u></u>	<u><u>6,151,876</u></u>

SEE NOTES TO FINANCIAL STATEMENTS

YORK TECHNICAL COLLEGE
Notes to the Financial Statements
June 30, 2012

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Operations: York Technical College, a member institution of the South Carolina Technical College System, provides a range of educational programs to meet the needs of the adult population of York, Chester, and Lancaster counties. Included in this range of programs are technical and occupational associate degree, diploma and certificate curricula that are consistent with the needs of employers in the College's service area. As an integral part of this mission, the College provides a program of continuing education designed to satisfy the occupational demands of employers through retraining and upgrading the skills of individual employees. The College also provides a variety of developmental education programs, support services and offerings to assist students in meeting their personal and professional educational objectives.

Reporting Entity: The financial reporting entity, as defined by Government Accounting Standards Board (GASB), consists of the primary government, organizations for which the primary government is financially accountable and other organizations for which the nature and significance of their relationship with the primary government are such that exclusion could cause the financial statements to be misleading or incomplete.

Accordingly, the financial statements include the accounts of York Technical College as the primary government and the accounts of York Technical College Foundation, its component unit. The College is part of the primary government of the State of South Carolina. However, based on the nature and significance of the Foundation's relationship with the State of South Carolina, the Foundation is not a component unit of the State of South Carolina.

The Foundation is a legally separate, tax-exempt non-governmental component unit of the College. The Foundation acts primarily as a fund-raising organization to supplement the resources that are available to the College in support of its programs. The twenty-eight member board of the Foundation is self-perpetuating and consists of community leaders and friends of the College. Although the College does not control the timing or amount of receipts from the Foundation, the majority of resources or incomes thereon that the Foundation holds and invests are restricted to the activities of the College by the donors. Because these restricted resources held by the Foundation can only be used by, or for the benefit of, the College, the Foundation is considered a component unit of the College. The Foundation is reported in separate financial statements because of the difference in its reporting model, as further described below.

The Foundation is a private not-for-profit organization that reports its financial results under Financial Accounting Standards Board (FASB) Statements. Most significant to the Foundation's operations and reporting model are FASB Statement No. 116, *Accounting for Contributions Received and Contributions Made*, and FASB Statement No. 117, *Financial Reporting for Not-for-Profit Organizations*. As such, certain revenue recognition criteria and presentation features are different from GASB revenue recognition criteria and presentation features. No modifications have been made to the Foundation's financial information in the College's financial reporting entity for these differences. However, significant note disclosures to the Foundation's financial statements have been incorporated into the College's notes to the financial statements. (See the Component Unit Section within this Summary of Significant Accounting Policies.)

Financial statements for the Foundation can be obtained by mailing a request to York Technical College Foundation, 452 South Anderson Road, Rock Hill, South Carolina 29730.

The College is part of the State of South Carolina's primary government and has been included in the State's comprehensive annual financial report as such. However, the College is not legally separate; therefore, it is not considered a Component Unit of the State of South Carolina.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

The financial reporting entity, as defined by the Governmental Accounting Standards Board (GASB) consists of the primary government, organizations for which the primary government is financially accountable and other organizations for which the nature and significance of their relationship with the primary government are such that exclusion could cause the financial statements to be misleading or incomplete. Accordingly, the financial statements include the accounts of York Technical College as the primary government. York Technical College has determined that it is not a component of another entity.

Financial Statements: The financial statement presentation for the College meets the requirements of Governmental Accounting Standards Board (GASB) Statement No. 34, Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments, and GASB Statement No. 35, Basic Financial Statements and Management's Discussion and Analysis for Public Colleges and Universities. The financial statement presentation provides a comprehensive, entity-wide perspective of the College's net assets, revenues, expenses and changes in net assets and cash flows that replaces the fund-group perspective previously required.

Basis of Accounting: For financial reporting purposes, the College is considered a special-purpose government engaged only in business-type activities. Accordingly, the College's financial statements have been presented using the economic resources measurement focus and the accrual basis of accounting. Under the accrual basis, revenues are recognized when earned, and expenses are recorded when an obligation has been incurred. Student tuition and auxiliary enterprise fees are presented as net of scholarships and fellowships applied to student accounts, while stipends and other payments made directly are presented as scholarship expenses. All significant intra-institutional transactions have been eliminated.

The College has elected not to apply Financial Accounting Standards Board (FASB) pronouncements issued after November 30, 1989.

Cash and Cash Equivalents: For purposes of the statement of cash flows, the College considers all highly liquid investments with an original maturity of three months or less to be cash equivalents. Funds invested through the State of South Carolina State Treasurer's Office are considered cash equivalents.

Investments: Deposits and investments for the College are governed by the South Carolina Code of Laws, Section 11-9-660, "Investments of Funds." GASB Statement No. 40, Deposits and Investment Risk Disclosures – an amendment to GASB Statement No. 3 requires disclosures related to deposit risks (e.g. custodial credit risk), investment risks (e.g. credit risk, which includes custodial credit risk and concentrations of credit risks) and interest rate risk.

The College accounts for its investments at fair value in accordance with GASB Statement No. 31, Accounting and Financial Reporting for Certain Investments and for External Investment Pools. Changes in unrealized gain (loss) on the carrying value of investments are reported as a component of investment income in the statement of revenues, expenses and changes in net assets.

Accounts Receivable: Accounts receivable consists of tuition and fee charges to students, and auxiliary enterprise services provided to students, faculty and staff. Accounts receivable also include amounts due from the Federal government, state and local governments, or private sources in connection with reimbursement of allowable expenditures made pursuant to the College's grants and contracts. Accounts receivables are recorded net of estimated uncollectible amounts. Detail for accounts receivable are discussed in Note 3. Allowances for losses for student accounts receivables is established based upon actual losses experienced in prior years and evaluations of the current account portfolio. At June 30, 2012 the allowance for uncollectible student accounts was \$1,000,000.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

Inventories: Inventories for internal use are valued at cost. Inventories for resale are carried at the lower of cost or market on the first-in, first-out ("FIFO") basis.

Capital Assets: Capital assets are recorded at cost at the date of acquisition or fair market value at the date of donation in the case of gifts. The College follows capitalization guidelines established by the State of South Carolina. All land is capitalized, regardless of cost. Qualifying improvements that rest in or on the land itself are recorded as depreciable land improvements. Major additions, renovations and other improvements that add to the usable space, prepare existing buildings for new uses, or extend the useful life of an existing building are capitalized. The College capitalizes movable personal property with a unit value in excess of \$5,000 and a useful life in excess of two years and depreciable land improvements, buildings and improvements, and intangible assets costing in excess of \$100,000. Routine repairs and maintenance and library materials, except individual items costing in excess of \$5,000, are charged to operating expenses in the year in which the expense was incurred.

Depreciation is computed using the straight-line method over the estimated useful lives of the assets, generally 15 to 50 years for buildings and improvements and land improvements, and 2 to 25 years for machinery, equipment, and vehicles. Effective for the fiscal year ended June 30, 2012, the College adopted a monthly depreciation convention for the straight-line method consistent with the policy of the State of South Carolina.

Deferred Revenues and Deposits: Deferred revenues include amounts received for tuition and fees and certain auxiliary activities prior to the end of the fiscal year but related to the subsequent accounting period. Deferred revenues also include amounts received from grant and contract sponsors that have not yet been earned.

Compensated Absences: Employee vacation pay expense is accrued at year-end for financial statement purposes. The liability and expense incurred are recorded at year-end as a component of long-term liabilities as well as short-term liabilities in the statement of net assets and as a component of benefit expenses in the statement of revenues, expenses, and changes in net assets.

Net Assets: The College's net assets are classified as follows:

Invested capital assets, net related debt: This represents the College's total investment in capital assets, net of outstanding debt obligations related to those capital assets. To the extent debt has been incurred but not yet expended for capital assets, such amounts are not included as a component of invested in capital assets, net of related debt.

Restricted net assets - expendable: Restricted expendable net assets include resources in which the College is legally or contractually obligated to spend resources in accordance with restrictions imposed by external third parties.

Restricted net assets - nonexpendable: Nonexpendable restricted net assets consists of endowment and similar type funds in which donors or other outside sources have stipulated as a condition of the gift instrument, that the principal is to be maintained inviolate and in perpetuity and invested for the purpose of producing present and future income, which may either be expended or added to principal.

Unrestricted net assets: Unrestricted net assets represent resources derived from student tuition and fees, appropriations, and sales and services of educational departments and auxiliary enterprises. These resources are used for transactions relating to the educational and general operations of the College, and may be used at the discretion of the governing board to meet current expenses for any purpose. These resources also include auxiliary enterprises, which are substantially self-supporting activities that provide services for students, faculty and staff.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

The College policy for applying expenses that can be used as both restricted and unrestricted resources is delegated to the departmental administrative level. General practice is to first apply the expense to restricted resources and then to unrestricted resources.

Income Taxes: The College is exempt from income taxes under the Internal Revenue Code.

Classification of Revenues: The College has classified its revenues as either operating or non-operating revenues according to the following criteria:

Operating revenues: Operating revenues generally result from exchange transactions to provide goods or services related to the College's principal ongoing operations. These revenues include (1) student tuition and fees received in exchange for providing educational services and other related services to students; (2) receipts for scholarships where the provider has identified the student recipients; (3) fees received from organizations and individuals in exchange for miscellaneous goods and services provided by the College; and (4) grants and contracts that are essentially the same as contracts for services that finance programs the College would not otherwise undertake.

Non-operating revenues: Non-operating revenues include activities that have the characteristics of non-exchange transactions. These revenues include gifts and contributions, appropriations, investment income, and any grants and contracts that are not classified as operating revenue or restricted by the grantor to be used exclusively for capital purposes. **Beginning fiscal year 2010, the SC Comptroller General's Office mandated that PELL grants be reclassified as non-operating revenues from operating revenues.**

State Fiscal Stabilization Funds are reported as Federal non-operating revenues in the financial statements, with a portion reported as capital grants if appropriate.

Sales and Services of Educational and Other Activities: Revenues from sales and services of educational and other activities generally consist of amounts received from instructional, laboratory, research, and public service activities that incidentally create goods and services which may be sold to students, faculty, staff, and the general public. The College receives such revenues primarily from the Child Development Center.

Auxiliary Enterprises and Internal Service Activities: Auxiliary enterprise revenues primarily represent revenues generated by the bookstore. Revenues of internal service and the related expenditures of College departments have been eliminated. Effective March 1, 2004, Barnes and Noble assumed the operations of the Bookstore.

Component Units: See Note 17.

NOTE 2 - DEPOSITS AND INVESTMENTS

DEPOSITS:

State Law requires that a bank or savings and loan association receiving State funds must secure the deposits by deposit insurance, surety bonds, collateral securities, or letters of credit to protect the State against any loss.

NOTE 2 - DEPOSITS AND INVESTMENTS, Continued

Custodial Credit Risk:

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, the College will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party if the counterparty to the deposit transaction fails.

The College's policy concerning custodial credit risk is to invest surplus funds of the College in a manner that maximizes return to the College while safeguarding against any potential of loss. The College President is authorized to invest surplus funds or may delegate this responsibility to the Vice President of Business Services. Investments shall be selected from financial institutions on a competitive basis through an informal bidding process (and all in compliance with State laws and regulations). All investments shall be protected by FDIC, FSLIC, and/or have sufficient pledged securities as collateral.

The deposits for York Technical College were \$27,279,399 at June 30, 2012 and \$22,260,606 at June 30, 2011 deposits, none were exposed to custodial credit risk as uninsured and uncollateralized. In addition, all these deposits were collateralized with securities held by the pledging institution in the College's name. The SC State Treasurer's Office monitors the collateral sufficiency and requires that collateral equal a minimum of 102%.

Foreign Currency Risk:

Foreign currency risk is the risk that changes in exchange rates will adversely affect the fair value of an investment. York Technical College does not maintain deposits that are denominated in a currency other than the United States dollar; therefore, the College is not exposed to this risk.

INVESTMENTS:

The College is authorized, by the South Carolina Code of Laws, Section 11-9-660, to invest in obligations of the United States and its agencies, obligations of the State of South Carolina and its political subdivisions, collateralized or federally insured certificates of deposit, and collateralized repurchase agreements.

The College had no investments at June 30, 2012 or June 30, 2011.

Custodial Credit Risk:

Custodial credit risk for investments is the risk that, in the event of a failure of the counterparty to a transaction, the College will not be able to recover the value of investments or collateral securities that are in the possession of an outside party.

The College's policy concerning custodial credit risk is to invest surplus funds of the College in a manner that maximizes return to the College while safeguarding against any potential of loss. The College President is authorized to invest surplus funds or may delegate this responsibility to the Vice President for Business Services. Investments shall be selected from financial institutions on a competitive basis through an informal bidding process (and all in compliance with State laws and regulations). All investments shall be protected by FDIC, FSLIC, and/or have sufficient pledged securities as collateral.

Credit Risk:

Credit risk is the risk that an insurer or other counterparty to an investment will not fulfill its obligations.

The College's policy concerning credit risk is to invest surplus funds of the College in a manner that maximizes return to the College while safeguarding against any potential of loss. The College President is authorized to invest surplus funds or may delegate this responsibility to the Executive Vice President. Investments shall be selected from financial institutions on a competitive basis through an informal bidding process (and all in compliance with State laws and regulations). All investments shall be protected by FDIC, FSLIC, and/or have sufficient pledged securities as collateral.

YORK TECHNICAL COLLEGE
Notes to the Financial Statements, Continued
June 30, 2012

NOTE 2 - DEPOSITS AND INVESTMENTS, Continued

INVESTMENTS: Continued

Concentration of Credit Risk:

Concentration of credit risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer. The College does not have a policy on concentration of credit risk.

Interest Rate Risk:

Interest rate risk is the risk that changes in interest rates of debt investments will adversely affect the fair value of an investment. It occurs because potential purchasers of debt securities will not agree to pay face value for those securities if interest rates subsequently increase, thereby affording potential purchasers more favorable rates on essentially equivalent securities.

The College does not have a policy concerning interest rate risk.

Foreign Currency Risk:

Foreign currency risk is the risk that changes in exchange rates will adversely affect the fair value of an investment. York Technical College does not maintain investments that are denominated in a currency other than the United States dollar, and therefore, the College is not exposed to this risk.

The following schedule reconciles cash and investments as reported on the Statement of Net Assets to footnote disclosure provided for deposits and investments.

	2012	2011
STATEMENT OF NET ASSETS:		
Cash and Cash Equivalents	\$ 26,543,427	21,966,227
Plant	-	-
	<u>26,543,427</u>	<u>21,966,227</u>
DEPOSITS AND INVESTMENTS NOTE:		
Cash on Hand	2,690	2,981
Carrying Amount of Deposits, Net	26,540,737	21,963,246
Carrying Amounts of Plant	-	-
Total	<u>\$ 26,543,427</u>	<u>21,966,227</u>

YORK TECHNICAL COLLEGE
Notes to the Financial Statements, Continued
June 30, 2012

NOTE 3 - ACCOUNTS RECEIVABLE

Accounts receivable as of June 30, 2012 and June 30, 2011, are summarized as follows:

	2012	2011
Student Accounts	\$ 2,403,485	3,684,626
Less: Allowance for Doubtful Accounts	(1,000,000)	(1,000,000)
Federal Grants and Contracts	185,414	196,834
State Grants and Contracts	1,461,278	2,740,629
Other	301,011	109,934
	<u>3,351,188</u>	<u>5,732,023</u>
Net Accounts Receivable	<u>\$ 3,351,188</u>	<u>5,732,023</u>

Allowances for losses for student accounts receivable are established based upon actual losses experienced in prior years and evaluations of the current account portfolio. At June 30, 2012 the allowance for uncollectible student accounts is valued at \$1,000,000 and at June 30, 2011 the allowance for uncollectible student accounts is valued at \$1,000,000.

NOTE 4 - CAPITAL ASSETS

The activities in the College's capital assets for the fiscal year ended June 30, 2012 are as follows:

	Beginning Balance June 30, 2011	Increases	Decreases	Transfers	Ending Balance June 30, 2012
Capital Assets Not Being Depreciated:					
Land and Improvements	\$ 1,029,567	-	-	-	1,029,567
Construction In Progress	156,890	633,829	-	(541,984)	248,735
Total Capital Assets Not Being Depreciated	<u>1,186,457</u>	<u>633,829</u>	<u>-</u>	<u>(541,984)</u>	<u>1,278,302</u>
Other Capital Assets:					
Buildings and Improvements	37,378,432	-	-	-	37,378,432
Machinery, Equipment and Other	6,128,617	240,416	435,345	-	5,933,688
Vehicles	608,268	-	-	-	608,268
Depreciable Land Improvements	1,567,442	-	-	541,984	2,109,426
Total Other Capital Assets At Historical Cost	<u>45,682,759</u>	<u>240,416</u>	<u>435,345</u>	<u>541,984</u>	<u>46,029,814</u>
Less Accumulated Depreciation For:					
Buildings And Improvements	(14,901,873)	(961,915)	-	-	(15,863,788)
Machinery, Equipment And Other	(5,092,396)	(515,427)	434,234	-	(5,173,589)
Vehicles	(451,806)	(41,373)	-	-	(493,179)
Depreciable Land Improvements	(857,289)	(24,841)	-	-	(882,130)
Total Accumulated Depreciation	<u>(21,303,364)</u>	<u>(1,543,556)</u>	<u>434,234</u>	<u>-</u>	<u>(22,412,686)</u>
Capital Assets, Net	<u>\$ 25,565,852</u>	<u>(669,311)</u>	<u>1,111</u>	<u>-</u>	<u>24,895,430</u>

There were losses on the disposal of fixed assets in the fiscal year ended June 30, 2012 in the amount of \$1,111.

YORK TECHNICAL COLLEGE
Notes to the Financial Statements, Continued
June 30, 2012

NOTE 4 - CAPITAL ASSETS, Continued

The activities in the College's capital assets for the fiscal year ended June 30, 2011 are as follows:

	Beginning Balance June 30, 2010	Increases	Decreases	Transfers	Ending Balance June 30, 2011
Capital Assets Not Being Depreciated:					
Land and Improvements	\$ 1,029,567	-	-	-	1,029,567
Construction In Progress	-	156,890	-	-	156,890
Total Capital Assets Not Being Depreciated	1,029,567	156,890	-	-	1,186,457
Other Capital Assets:					
Buildings and Improvements	37,378,432	-	-	-	37,378,432
Machinery, Equipment and Other	5,725,382	420,480	17,245	-	6,128,617
Vehicles	579,885	28,383	-	-	608,268
Depreciable Land Improvements	1,567,442	-	-	-	1,567,442
Total Other Capital Assets At Historical Cost	45,251,141	448,863	17,245	-	45,682,759
Less Accumulated Depreciation For:					
Buildings And Improvements	(13,939,959)	(961,914)	-	-	(14,901,873)
Machinery, Equipment And Other	(4,551,604)	(558,037)	17,245	-	(5,092,396)
Vehicles	(399,402)	(52,404)	-	-	(451,806)
Depreciable Land Improvements	(857,289)	-	-	-	(857,289)
Total Accumulated Depreciation	(19,748,254)	(1,572,355)	17,245	-	(21,303,364)
Capital Assets, Net	\$ 26,532,454	(966,602)	-	-	25,565,852

There were no gains or losses on the disposal of fixed assets in the fiscal year ended June 30, 2011.

NOTE 5 - PENSION PLAN(S)

The Retirement Division of the State Budget and Control Board maintains four independent defined benefit plans and issues its own publicly available Comprehensive Annual Financial Report (CAFR) which includes financial statements and required supplementary information. A copy of the separately issued CAFR may be obtained by writing to Financial Services, South Carolina Retirement Systems, P.O. Box 11960, Columbia, South Carolina 29211. Furthermore, the Retirement System and the four pension plans are included in the CAFR of the State of South Carolina.

Article X, Section 16, of the South Carolina Constitution requires that all State-operated retirement systems be funded on a sound actuarial basis. Title 9 of the South Carolina Code of Laws of 1976, as amended, prescribes requirements relating to membership, benefits, and employee/employer contributions for each pension plan. Employee and employer contribution rates for the South Carolina Retirement System and the Police Officers Retirement System are actuarially determined. Annual benefits, payable monthly for life, are based on length of service and on average final compensation.

South Carolina Retirement System

The majority of employees of York Technical College are covered by a retirement plan through the South Carolina Retirement System (SCRS), a cost-sharing multiple-employer defined benefit pension plan administered by the Retirement Division, a public employee retirement system. Generally all State employees are required to participate in and contribute to the SCRS as a condition of employment unless exempted by law as provided in Section 9-1-480 of the South Carolina Code of Laws. This plan provides retirement annuity benefits as well as disability, cost of living adjustment, death, and group-life insurance benefits to eligible employees and retirees.

NOTE 5 - PENSION PLAN(S), Continued

South Carolina Retirement System, continued

From July 1, 1988 to June 30, 2005, employees participating in the SCRS were required to contribute 6.0 percent of all compensation. On July 1, 2005, the required employee contribution increased to 6.25 percent. On July 1, 2006, the required employee contribution increased to 6.50 percent. Effective July 1, 2011, the employer contribution rate became 13.835 percent which included a 4.30 percent surcharge to fund retiree health and dental insurance coverage. The College's actual contributions to the SCRS for the three most recent fiscal years ending June 30, 2012, 2011, and 2010, were 1,379,042, 1,379,625 and 1,396,709 respectively, and equaled the required contributions of 9.385 percent (excluding the surcharge) for fiscal year 2010 and 2011. Also, the College paid employer group-life insurance contributions of \$22,041 in the current fiscal year at the rate of .15 percent of compensation.

Police Officers Retirement System

The South Carolina Police Officers Retirement System (PORS) is a cost-sharing multiple-employer defined benefit public employee retirement plan administered by the Retirement Division. Generally all full-time employees whose principal duties are the preservation of public order or the protection or prevention and control of property destruction by fire are required to participate in and contribute to the System as a condition of employment. This plan provides annuity benefits as well as disability and group-life insurance benefits to eligible employees and retirees. In addition, participating employers in the PORS contribute to the accidental death fund which provides annuity benefits to beneficiaries of police officers and firemen killed in the actual performance of their duties. These benefits are independent of any other retirement benefits available to the beneficiary.

Since July 1, 1988, employees participating in the PORS have been required to contribute 6.5 percent of all compensation. Effective July 1, 2011, the employer contribution rate became 15.66 percent which, as for the SCRS, included the 4.30 percent surcharge. The College's actual contributions to the PORS for the years ending June 30, 2012, 2011, and 2010, were \$12,805, \$13,145, and \$7,393 respectively, and equaled the required contributions of 11.363 percent (excluding the surcharge) for each year. Also, the College paid employer group-life insurance contributions of \$225 and accidental death insurance contributions of \$225 in the current fiscal year for PORS participants. The rate for each of these insurance benefits is .20 percent of compensation.

Optional Retirement Program

The State Optional Retirement Program (State ORP) was first established as the Optional Retirement Program for Higher Education in 1987. In its current form, the State ORP is an alternative to the defined benefit SCRS plan offered to certain state, public school and higher education employees of the State. The State ORP, which is administered by the South Carolina Retirement Systems, is a defined contribution plan. State ORP participants direct the investment of their funds into a plan administered by investment providers. The State assumes no liability for State ORP benefits. Rather, the benefits are the liability of the investment providers and are governed by the terms of the contracts issued by them.

Under State law, contributions to the ORP are required at the same rates as for the SCRS, 9.385 percent plus the retiree surcharge of 4.30 percent from the employer in fiscal year 2012.

Employees are eligible for group-life insurance benefits while participating in the State ORP. However, employees who participate in the State ORP are not eligible for postretirement group-life insurance benefits. For the fiscal year, total contribution requirements to the ORP were \$182,245 (excluding the surcharge) from York Technical College as employer and \$126,222 from its employees as plan members. In addition, the College paid to the SCRS employer group-life insurance contributions of \$2,913 in the current fiscal year at the rate of .15 percent of compensation.

NOTE 5 - PENSION PLAN(S), Continued

Deferred Compensation Plans

Several optional deferred compensation plans are available to State employees and employers of its political subdivisions. Certain employees of the College have elected to participate. The multiple-employer plans, created under Internal Revenue Code Sections 457, 401(k), 401(k) Roth and 403(b), are administered by third parties and are not included in the Comprehensive Annual Financial Report of the State of South Carolina. Compensation deferred under the plans is placed in trust for the contributing employee. The State has no liability for losses under the plans. Employees may withdraw the current value of their contributions when they terminate State employment. Employees may also withdraw contributions prior to termination if they meet requirements specified by the applicable plan.

Teacher and Employee Retention Incentive

Effective January 1, 2001, Section 9-1-2210 of the South Carolina Code of Laws allows employees eligible for service retirement to participate in the Teacher and Employee Retention Incentive (TERI) Program. TERI participants may retire and begin accumulating retirement benefits on a deferred basis without terminating employment for up to five years. Upon termination of employment or at the end of the TERI period, whichever is earlier, participants will begin receiving monthly service retirement benefits which will include any cost of living adjustments granted during the TERI period. Because participants are considered retired during the TERI period, they do not earn service credit and are ineligible to receive group life insurance benefits or disability retirement benefits. Effective July 1, 2005, employees who choose to participate in the TERI Program will be required to make SCRS contributions.

NOTE 6 – POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS AND OTHER EMPLOYEE BENEFITS

In accordance with the South Carolina Code of Laws and the annual Appropriations Act, the State provides post-employment health and dental and long-term disability benefits to retired State and school district employees and their covered dependents. “Agency” contributes to the Retiree Medical Plan (RMP) and the Long-term Disability Plan (LTDP), cost-sharing multiple-employer defined benefit postemployment healthcare and long-term disability plans administered by the Employee Insurance Program (EIP), a part of the State Budget and Control Board (SBCB). Generally, retirees are eligible for the health and dental benefits if they have established at least ten years of retirement service credit. For new hires May 2, 2008 and after, retirees are eligible for benefits if they have established twenty-five years of service for 100% employer funding and fifteen through twenty-four years of service for 50% employer funding. Benefits become effective when the former employee retires under a State retirement system. Basic long-term disability (BLTD) benefits are provided to active state, public school district and participating local government employees approved for disability.

Section 1-11-710 and 1-11-720 of the South Carolina Code of Laws of 1976, as amended, requires these postemployment healthcare and long-term disability benefits be funded through annual appropriations by the General Assembly for active employees to the EIP and participating retirees to the SBCB except the portion funded through the pension surcharge and provided from other applicable sources of the EIP for its active employees who are not funded by State General Fund appropriations. Employers participating in the RMP are mandated by State statute to contribute at a rate assessed each year by the Office of the State Budget, 4.30% of annual covered payroll for 2012 and 2011 respectively. The EIP sets the employer contribution rate based on a pay-as-you-go basis. York Technical College paid approximately \$720,193 and \$667,942 applicable to the surcharge included with the employer contribution for retirement benefits for the fiscal years ended June 30, 2012 and 2011, respectively. BLTD benefits are funded through a per person premium charged to State agencies, public school districts, and other participating local governments. The monthly premium per active employee paid to EIP was \$3.22 for the fiscal years ended June 30, 2012 and June 30, 2011.

NOTE 6 – POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS AND OTHER EMPLOYEE BENEFITS, Continued

Effective May 1, 2008 the State established two trust funds through Act 195 for the purpose of funding and accounting for the employer costs of retiree health and dental insurance benefits and long-term disability insurance benefits. The South Carolina Retiree Health Insurance Trust Fund is primarily funded through the payroll surcharge. Other sources of funding include additional State appropriated dollars, accumulated EIP reserves, and income generated from investments. The Long Term Disability Insurance Trust Fund is primarily funded through investment income and employer contributions.

One may obtain complete financial statements for the benefit plans and the trust funds from Employee Insurance Program, 1201 Main Street, Suite 360, Columbia, SC 29201.

NOTE 7 - CONTINGENCIES, LITIGATION, AND PROJECT COMMITMENTS

In the opinion of College Administration, there are no material claims or lawsuits against the College that are not covered by insurance or whose settlement would materially affect the College's financial position.

The College participates in certain Federal programs. These programs are subject to financial and compliance audits by the grantor or its representative. Such audits could lead to requests for reimbursement to the grantor agency for expenditures allowed under terms of the grant. The College administration believes disallowances, if any, be immaterial.

At June 30, 2012, the College had remaining project commitment balances of approximately \$131,808 for Deferred Maintenance, Health Science Facility and Master Plan Projects.

OTHER CAPITAL PROJECTS

Other capital projects, which are not to be capitalized when completed, are for replacements, repairs, and/or renovations to existing facilities.

Unrestricted Net Assets

Planned Uses of Unrestricted Net Assets at June 30:

	2012
60 Day Operating Reserve	\$ 5,394,199
Master Plan Implementation	16,814,277
Deferred Maintenance	900,000
Baxter Hood Center Update	800,000
Operating Contingency	500,000
	<u>\$ 24,408,476</u>

Planned Uses of Unrestricted Net Assets at June 30:

	2011
60 Day Operating Reserve	\$ 5,603,992
Master Plan Implementation	16,134,661
Operating Contingency	500,000
	<u>\$ 22,238,653</u>

YORK TECHNICAL COLLEGE
Notes to the Financial Statements, Continued
June 30, 2012

NOTE 8 - LEASE OBLIGATIONS

Future commitments for operating leases in excess of one year as reported at June 30, 2012 are as follows:

<u>Year Ended June 30, 2012</u>	<u>Operating Leases/ Equipment</u>
2013	\$ 4,637
2014	4,637
2015	-
2016	-
2017	-
Total Minimum Payments	<u>\$ 9,274</u>

Future commitments for operating leases in excess of one year as reported at June 30, 2011 were as follows:

<u>Year Ended June 30, 2011</u>	<u>Operating Leases/ Equipment</u>
2012	\$ 45,794
2013	4,637
2014	4,637
2015	-
2016	-
Total Minimum Payments	<u>\$ 55,068</u>

NOTE 9 - LONG-TERM LIABILITIES

Long-term liability activity for the year ended June 30, 2012 was as follows:

	June 30, 2011	Addition	Reductions	June 30, 2012	Current Portion	Noncurrent Portion
Notes Payable	\$ 389,554	-	176,536	213,018	188,508	24,510
Accrued Compensated Absences	1,315,842	266,942	140,623	1,442,161	135,153	1,307,008
Total Long-Term Liabilities	<u>\$ 1,705,396</u>	<u>266,942</u>	<u>317,159</u>	<u>1,655,179</u>	<u>323,661</u>	<u>1,331,518</u>

YORK TECHNICAL COLLEGE
Notes to the Financial Statements, Continued
June 30, 2012

NOTE 9 - LONG-TERM LIABILITIES, Continued

Long-term liability activity for the year ended June 30, 2011 was as follows:

	June 30, 2010	Addition	Reductions	June 30, 2011	Current Portion	Noncurrent Portion
Notes Payable	\$ 512,147	36,766	159,359	389,554	165,971	223,583
Accrued Compensated Absences	1,367,663	101,038	152,859	1,315,842	101,791	1,214,051
Total Long-Term Liabilities	<u>\$ 1,879,810</u>	<u>137,804</u>	<u>312,218</u>	<u>1,705,396</u>	<u>267,762</u>	<u>1,437,634</u>

NOTE 10 - RELATED ORGANIZATIONS, RELATED PARTY TRANSACTIONS, AND TRANSACTIONS WITH DISCRETELY PRESENTED COMPONENT UNITS

Certain separately chartered legal entities whose activities are related to those of the College exist primarily to provide financial assistance and other support to the College and its educational program. Financial statements for these entities are audited by independent auditors and retained by them. They include York Technical College Foundation.

Management reviewed its relationship with the Foundation under the existing guidance of GASB Statement No. 14 as amended by GASB 39. Because of the nature and the significance of its relationship with the College, the Foundation is considered a component unit of the College.

Following is a more detailed discussion of the Foundation and a summary of significant transactions (if any) between the Foundation and the College for the year ended June 30, 2012.

The York Technical College Foundation

The Foundation is a separately chartered corporation organized exclusively to receive and manage private funds for the exclusive benefit and support of York Technical College. The Foundation's activities are governed by its Board of Directors.

York Technical College recorded receipts of \$334,822 from the Foundation in non-operating revenues for the fiscal year ended June 30, 2012 and \$455,402 for the fiscal year ended June 30, 2011. These funds were used to support College programs such as scholarships and facility utilization. The Foundation reimburses the College for any purchases made by the College on behalf of the Foundation.

Related party receivables and payables as of June 30, 2012 and June 30, 2011 are as follows:

	June 30, 2012	June 30, 2011
Due from York Technical College Foundation	\$ 73,937	36,051
Due to York Technical College Foundation	-	-

More detailed discussion of the Foundation can be found in Note 17.

YORK TECHNICAL COLLEGE
Notes to the Financial Statements, Continued
June 30, 2012

NOTE 11 - RISK MANAGEMENT

The College is exposed to various risks of loss and maintains State or commercial insurance coverage for each of those risks. Management believes such coverage is sufficient to preclude any significant uninsured losses for the covered risks. Settlement claims have not exceeded this coverage in any of the past three years.

The State of South Carolina believes it is more economical to manage certain risks internally and set aside assets for claim settlement. Several state funds accumulate assets and the State itself assumes substantially all the risk for the following claims of covered employees:

- Unemployment compensation benefits
- Worker's compensation benefits for job-related illnesses or injuries
- Health and dental insurance benefits
- Long-term disability and group-life insurance benefits

Employees elect health insurance coverage through either a health maintenance organization or through the State's self-insured plan.

The College and other entities pay premiums to the State's Insurance Reserve Fund (IRF), which issues policies, accumulates assets to cover the risk of loss, and pays claims incurred for covered losses relating to the following activities:

- Theft, damage to, or destruction of assets including data processing;
- Real property, its contents, and other equipment;
- Motor vehicles;
- General tort liability

The IRF is a self-insurer and purchases reinsurance to obtain certain services and to limit losses in certain areas. The IRF's rates are determined actuarially.

The College obtains coverage through a commercial insurer for employee fidelity bond insurance for all employees for losses arising from theft or misappropriation.

NOTE 12 - OPERATING EXPENSES BY FUNCTION

Operating expenses by functional classification for the year ended June 30, 2012 are summarized as follows:

	Salaries	Benefits	Scholarship	Utilities	Supplies and Other Services	Deprecation	Total
Instruction	\$ 11,687,457	3,000,856	-	-	1,670,138	-	16,358,451
Academic Support	2,170,199	631,410	-	-	770,415	-	3,572,024
Student Services	2,412,766	621,945	-	-	393,177	-	3,427,888
Operation and Maintenance of Plant	1,366,598	421,990	-	939,880	1,307,241	-	4,035,709
Institutional Support	2,495,771	771,716	-	-	1,392,260	-	4,659,747
Scholarships & Fellowships	-	-	7,411,907	-	-	-	7,411,907
Auxiliary Enterprises	(7,524)	49	-	-	(3,797)	-	(11,272)
Depreciation	-	-	-	-	-	1,543,556	1,543,556
Total Operating Expenses	<u>\$ 20,125,267</u>	<u>5,447,966</u>	<u>7,411,907</u>	<u>939,880</u>	<u>5,529,434</u>	<u>1,543,556</u>	<u>40,998,010</u>

YORK TECHNICAL COLLEGE
Notes to the Financial Statements, Continued
June 30, 2012

NOTE 12 - OPERATING EXPENSES BY FUNCTION, Continued

Operating expenses by functional classification for the year ended June 30, 2011 are summarized as follows:

	Salaries	Benefits	Scholarship	Utilities	Supplies and Other Services	Deprecation	Total
Instruction	\$ 12,242,473	3,061,338	-	-	2,994,082	-	18,297,893
Academic Support	1,728,598	501,078	-	-	738,998	-	2,968,674
Student Services	2,946,970	779,171	-	-	719,491	-	4,445,632
Operation and Maintenance of Plant	1,312,548	411,304	-	1,087,878	1,584,905	-	4,396,635
Institutional Support	1,996,812	613,962	-	-	1,328,684	-	3,939,458
Scholarships & Fellowships	-	-	6,363,375	-	-	-	6,363,375
Auxiliary Enterprises	67,052	18,749	-	-	131,551	-	217,352
Depreciation	-	-	-	-	-	1,572,355	1,572,355
Total Operating Expenses	<u>\$ 20,294,453</u>	<u>5,385,602</u>	<u>6,363,375</u>	<u>1,087,878</u>	<u>7,497,711</u>	<u>1,572,355</u>	<u>42,201,374</u>

NOTE 13 - STATE APPROPRIATIONS

State funds for the South Carolina Technical College System are appropriated to the State Board for Technical and Comprehensive Education (the Board) and the Board allocates funds budgeted for the technical colleges in a uniform and equitable manner. Appropriations are recognized as revenue when received and available. Amounts that are not expended by fiscal year-end lapse and are required to be returned to the General Fund of the State unless the Board receives authorization from the General Assembly to carry the funds over to the next year.

The following is a detailed schedule of State appropriations revenue reported in the financial statements for the fiscal year ended June 30, 2012 and June 30, 2011.

	2012	2011
NON-CAPITAL APPROPRIATIONS		
Current Year's Appropriations:		
Appropriations from State Board Allocation - Salary and Fringes	\$ 5,357,821	5,542,505
Appropriations from SC Education Lottery Fund	171,579	118,807
Appropriations from State Board Allocation - Pathways	53,846	-
Total Non-Capital Appropriations Recorded as Current Year Revenue	<u>\$ 5,583,246</u>	<u>5,661,312</u>
CAPITAL APPROPRIATIONS		
Deferred Maintenance	\$ 166,893	-
Total Capital Appropriations Recorded as Current Year Revenue	<u>\$ 166,893</u>	<u>-</u>

YORK TECHNICAL COLLEGE
Notes to the Financial Statements, Continued
June 30, 2012

NOTE 14 - REQUIRED INFORMATION ON BUSINESS - TYPE ACTIVITIES

	2012	2011	Increase/ Decrease
Charges for Services	\$ 17,158,944	19,242,286	(2,083,342)
Operating Grants and Contributions	18,691,165	20,564,991	(1,873,826)
Capital Grants and Contributions	1,240,592	-	1,240,592
Less: Expenses	(40,998,010)	(42,201,374)	1,203,364
Net Program Revenue (Expense)	(3,907,309)	(2,394,097)	(1,513,212)
General Revenues:			
Earnings on Investments	-	-	-
Transfers:			
State Appropriations	5,583,246	5,661,312	(78,066)
Total General Revenue and Transfers	5,583,246	5,661,312	(78,066)
Change in Net Assets	1,675,937	3,267,216	(1,591,279)
Net Assets - Beginning	47,414,951	44,147,736	3,267,215
Net Assets - Ending	\$ 49,090,888	47,414,952	1,675,936

NOTE 15 – NOTE PAYABLE

Note payable consisted of the following at June 30, 2012:

The College has a note payable with First Citizens Bank, dated May 21, 2007, for 3D Systems University Construction Project in the amount of \$950,000 at 6.84% interest. Annual payments of \$194,875 will be made January 15 of each year, beginning January 15, 2008. The final payment is due January 15, 2013. York County has designated fee revenues to reimburse the College each year once payments have been made to the note holder.

During fiscal year ended June 30, 2010, the College received an award from the State Energy Program, American Recovery and Reinvestment Act, for energy efficiency and renewable energy improvements to facilities. Twenty-five percent of the award, \$36,763.35, was in the form of a no-interest loan. Annual payments of \$6,127.29 will be made November 1 of each year, beginning in 2011. The final payment is due November 1, 2016. The loan may be paid in whole or in part at any time during the loan period.

The amortization scheduled maturities of the notes payable at June 30, 2012 are as follows:

	Principal	Interest	Payments	Balance
2013	\$ 188,508	12,452	200,960	24,510
2014	6,127	-	6,127	18,383
2015	6,127	-	6,127	12,256
2016	6,127	-	6,127	6,129
2017	6,129	-	6,129	-
Grand Total	213,018	12,452	225,470	61,278

YORK TECHNICAL COLLEGE
Notes to the Financial Statements, Continued
June 30, 2012

NOTE 15 – NOTE PAYABLE, Continued

The amortization scheduled maturities of the notes payable at June 30, 2011 are as follows:

	Principal	Interest	Payments	Balance
2012	\$ 176,536	24,131	200,667	213,018
2013	188,508	12,452	200,960	24,510
2014	6,127	-	6,127	18,383
2015	6,127	-	6,127	12,256
2016	6,127	-	6,127	6,129
2017	6,129	-	6,129	-
Grand Total	389,554	36,583	426,137	274,296

NOTE 16 – AMERICAN RECOVERY AND REINVESTMENT ACT (ARRA) FUNDS

The College incurred expenditures of \$83,157 during fiscal year 2012 and expenditures of \$2,335,028 during fiscal year 2011 under American Recovery and Reinvestment Act (ARRA) funding. These funds were awarded to the College via pass-through funding from the U.S Department of Education (State Fiscal Stabilization Funds), U.S. Department of Labor (Workforce Investment Act), and the U.S. Department of Energy (State Energy Program). ARRA funds were primarily used to provide scholarships and student support for Workforce Investment Act participants. In addition, funds were used to provide instructional support and instructional equipment.

The schedules below list the individual funds and expenses and expenses by functional classification.

	Salaries	Benefits	Scholarships	Supplies and Other Services	June 30, 2012 Total
Instruction	\$ 416	36	-	-	452
Academic Support	29,524	10,009	-	43,172	82,705
Student Services	-	-	-	-	-
Operation and Maintenance of Plant	-	-	-	-	-
Institutional Support	-	-	-	-	-
Scholarships & Fellowships	-	-	-	-	-
	\$ 29,940	10,045	-	43,172	83,157

	Salaries	Benefits	Scholarships	Supplies and Other Services	June 30, 2011 Total
Instruction	\$ 885,512	127,226	-	259,625	1,272,363
Academic Support	4,028	1,449	-	142,793	148,270
Student Services	177,076	63,748	-	32,695	273,519
Operation and Maintenance of Plant	-	-	-	542,487	542,487
Institutional Support	-	-	-	1,343	1,343
Scholarships & Fellowships	-	-	97,046	-	97,046
	\$ 1,066,616	192,423	97,046	978,943	2,335,028

YORK TECHNICAL COLLEGE
Notes to the Financial Statements, Continued
June 30, 2012

NOTE 16 – AMERICAN RECOVERY AND REINVESTMENT ACT (ARRA) FUNDS, Continued

Fund	Funds used through June 30, 2012
ARRA - State Stabilization	43,624
ARRA BTOP Broadband Technology	<u>39,533</u>
Total expenses incurred through June 30, 2011	<u><u>\$ 83,157</u></u>

Fund	Funds used through June 30, 2011
ARRA - State Stabilization	1,731,604
ARRA WIA Adult	29,665
ARRA WIA Dislocated Workers Call Center	224,946
ARRA Quick Jobs HHS	24,431
ARRA Quick Jobs COM	11,197
ARRA Quick Jobs2	10,182
ARRA BTOP Broadband Technology	148,270
ARRA S&T Heat Recover	126,342
ARRA DSS Classroom Materials	7,491
ARRA DSS Early Childhood	20,000
ARRA ABC Childcare	<u>900</u>
Total expenses incurred through June 30, 2011	<u><u>\$ 2,335,028</u></u>

NOTE 17 – RESTATEMENT OF 2011 FINANCIAL STATEMENTS

The college restated net student tuition and fees for the fiscal year ended June 30, 2011 to include direct loans in the calculation of the scholarship allowance. This amount \$1,951,846 increased the total scholarship allowance and decreased scholarships expense by the same amount, thus having no effect on the net assets or the increase in the net assets for the year.

YORK TECHNICAL COLLEGE FOUNDATION, INC.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2012

General

The York Technical College Foundation, Inc. (the Foundation) was incorporated under the laws of South Carolina on May 17, 1983, for the purpose of seeking funds and resources to further the educational mission of York Technical College. The Foundation is exclusively a charitable and educational corporation within the meaning of section 501(c)(3) of the Internal Revenue Service Code.

Summary of Significant Accounting Policies

Classes of Net Assets

The financial statements report amounts separately by class of net assets:

Unrestricted Net Assets - Unrestricted Net Assets are those currently available for use by the Foundation.

Temporarily Restricted Net Assets - Temporarily Restricted Net Assets are contributions whose use is limited by donor-imposed stipulations that either expire by passage of time or can be fulfilled and removed by actions of the Foundation pursuant to these stipulations.

Permanently Restricted Net Assets - Permanently Restricted Net Assets are contributions whose use is limited by donor-imposed stipulations that neither expire by passage of time nor can be fulfilled or otherwise removed by the organization's actions.

Donor-Imposed Restrictions - All contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Amounts received that are designed for future periods or restricted by donor for specific purposes are reported as temporarily restricted or permanently restricted support that increase those net asset classes. However, if a restriction is fulfilled in the same time period in which the contribution is received, the Foundation reports the support as unrestricted.

For the fiscal year 2011-2012, temporarily restricted net assets are restricted for scholarships to York Technical College students, as well as, equipment, building improvements, buildings and teacher incentives. Permanently restricted net assets are named endowments of which the earnings from the corpus are to be used for scholarships.

YORK TECHNICAL COLLEGE FOUNDATION, INC.

NOTES TO FINANCIAL STATEMENTS

— CONTINUED —

Summary of Significant Accounting Policies (Continued)

Cash and Cash Equivalents - For purposes of the statement of cash flows, cash and cash equivalents are considered to be cash or highly liquid investments with a maturity of three months or less when purchased.

Cash and Investments – The cash balance at June 30, 2012 was \$2,655,260 and the bank balance was \$2,665,709. Of the cash balance, \$306,374 is invested in a repurchase agreement (cash equivalent) that has an underlying security in the bank's name as collateral. The Foundation does not require additional collateral.

Investments are presented in the financial statements in the aggregate at fair market value. Investments consist of four separate trusts under agreements with a financial management company. The trustee, by agreement, can invest in stocks, bonds, negotiable securities and property (real and personal) as the trustee deems advisable. All investments are in the name of the Foundation. The cost and fair values of the investments are listed below:

	<u>Cost</u>	<u>Fair Value</u>
Money funds	\$ 1,217,138	\$ 1,217,138
Fixed income:		
U.S. Government Agency	164,032	163,927
Corporates	184,256	183,992
Equities	784,274	802,787
	<u>\$ 2,349,700</u>	<u>\$ 2,367,844</u>

The Foundation accounts for its investments at fair value in accordance with SFAS No. 124, *Accounting for Certain Investments Held by Not-for-Profit Organizations*. Changes in unrealized gain (loss) on the carrying value of investments are reported as a component of investment income in the statement of activities.

The total unrealized gains at June 30, 2012 is \$18,144.

YORK TECHNICAL COLLEGE FOUNDATION, INC.

NOTES TO FINANCIAL STATEMENTS

— CONTINUED —

Summary of Significant Accounting Policies (Continued)

Public Support, Revenue and Expenses – The Foundation recognizes contributions and investment income on the accrual basis. Interest income earned on the endowments are allocated to the endowments in the endowment fund. All other interest income is recorded in the general fund. Revenue is recorded when earned. Expenses are recorded when incurred in accordance with the accrual basis of accounting.

Management Estimates - The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Endowment

The Foundation's endowment includes donor restricted endowment funds. As required by accounting principles generally accepted in the United States, net assets associated with endowment funds are classified and reported based on the existence or absence of donor imposed restrictions.

The Foundation has interpreted that the South Carolina Uniform Prudent Management of Institutional Funds Act does not apply to the endowment funds at the Foundation because these funds are all held at a financial institution who acts as trustee.

Property, Plant and Equipment

Property, plant and equipment are carried at cost. The Foundation reports depreciation using the straight-line method over the estimated useful lives of the respective assets. Estimated useful lives are generally as follows:

Land improvements	20 years
Buildings and improvements	28 years
Furniture	3 years

YORK TECHNICAL COLLEGE FOUNDATION, INC.

NOTES TO FINANCIAL STATEMENTS

— CONTINUED —

Property, Plant and Equipment (Continued)

The Foundation capitalizes all long-term assets with a cost or donated fair value of \$1,000 or more. Property, plant and equipment details are as follows:

Cost	June 30, 2011	Additions	Deletions	June 30, 2012
Land	\$ 545,152	\$ -	\$ -	\$ 545,152
Land improvements	28,000	-	-	28,000
Building	583,812	-	-	583,812
Building improvements	74,668	-	-	74,668
Furniture	299,577		(299,577)	-
	<u>1,531,209</u>	<u>-</u>	<u>(299,577)</u>	<u>1,231,632</u>
Accumulated Depreciation				
Land improvements	(19,600)	(1,400)	-	(21,000)
Building and improvements	(143,492)	(23,518)	-	(167,010)
Furniture	(299,577)	-	299,577	-
	<u>(462,669)</u>	<u>(24,918)</u>	<u>299,577</u>	<u>(188,010)</u>
Net book value	<u>\$ 1,068,540</u>	<u>\$ (24,918)</u>	<u>\$ -</u>	<u>\$ 1,043,622</u>

Depreciation expense recorded for 2011/2012 was \$24,918.

Taxes

The Foundation meets the requirements of the Internal Revenue Code and is exempt from federal income tax under Section 501(c)(3) of the Code. As of the date of this report, the tax years of 2012, 2011, 2010 and 2009 remain open and subject to review by the Internal Revenue Service. Management of the Foundation does not expect any tax liability to result from these tax periods. The Foundation is not classified as a private foundation.

YORK TECHNICAL COLLEGE FOUNDATION, INC.

NOTES TO FINANCIAL STATEMENTS

— CONTINUED —

Contributions Receivable, net

The contributions receivable in the temporarily restricted fund are related to pledges for capital projects and the Annual Fund. The full amount of \$108,968 discounted to present value at 4% is expected to be collected over the next four years. Management does not expect any losses, thus no allowance for uncollectible amounts has been recorded. The contributions receivable details are as follows:

Balance as of June 30, 2012	\$ 108,968
Less: discount	(4,358)
Net	<u>\$ 104,610</u>
Total future payments:	
2013	\$ 77,768
2014	30,600
2015	600
Total	<u>\$ 108,968</u>

Investment Income

Investment income consists of the following:

Interest and dividends	\$ 111,103
Gains and losses	(118,770)
Fees	(26,178)
	<u>\$ (33,845)</u>

YORK TECHNICAL COLLEGE FOUNDATION, INC.

NOTES TO FINANCIAL STATEMENTS

— CONTINUED —

Related Party Transactions

Due to the purpose of the Foundation, York Technical College (the “College”) is a related party. The Foundation seeks funds and resources to further the educational mission of the College. It provides to the College’s students, scholarships, while the College provides to the Foundation, the personnel to manage the Foundation’s activities. All transactions are conducted at arms-length.

Amounts paid to the College were \$8,750 for salaries, \$63,631 for scholarships, \$750 for rent, \$244,478 for grants and \$4,831 for supplies and other costs. In addition to these paid amounts, the Foundation owes the College a total of \$54,250 for various items at June 30, 2012.

The College also leases, through an annually renewable operating lease, two instructional facilities from the Foundation. The annual lease rates for the next year are \$56,279 for the Wilson Street property and \$20,000 each for the Heavy Equipment Building and the Saluda Street facility. The lease must meet length conditions before the State will approve it and the State must approve all leases with the College.

Sales Tax Payable

The Foundation has established a sales tax payable liability account. This account represents sales tax not collected by vendors on orders placed by the Foundation. The funds in this account will be payable to the State of South Carolina Department of Revenue upon the establishment of an account.

Employee Compensated Absences

The Foundation has no employees as all persons providing services to the Foundation are either College employees or independent contractors. As such, any College employee’s rights to receive compensation for future absences, such as vacation, are not recognized in these financial statements.

YORK TECHNICAL COLLEGE FOUNDATION, INC.

NOTES TO FINANCIAL STATEMENTS

— CONTINUED —

Contingencies and Commitments

Due to the nature of the Foundation's normal activities, it is routinely subject to a variety of claims and demands by various individuals and entities. Loss contingencies are situations involving uncertainties as to possible loss. The uncertainties are resolved when certain events occur or fail to occur. Loss contingencies may be the result of litigation, claims, audit disallowances, threatened property loss, or uncollectible receivables. Such situations are loss contingencies if the related liability has not been recorded, yet a loss is reasonable possible. Guarantees of other's debts are loss contingencies, however, even if the probability of loss is remote. The Foundation maintains insurance against certain loss contingencies with liability policies and physical damage coverage. At the date of this report, management is not aware of any contingencies that will result in any material loss to the Foundation.

Fair Value

Information about the fair value of financial instruments for which it is practical to estimate that value, whether or not recognized in the Statement of Financial Position, is required to be disclosed. Fair value is determined using various methods and assumptions.

The following methods and assumptions were used to estimate the fair value for the classification within the financial statements:

- *Cash, accounts receivables, accounts payable, and other accrued liabilities* – fair value approximates the carrying value due to the short maturity of these financial instruments.
- *Investments* – fair value is approximated by the balance reported by the custodian based on market values of the investment assets.
- *Contributions receivable* – fair value is approximated by discounting the expected future cash flows.

When quoted market prices are not available, fair values are based on estimates using present value or other valuation techniques. Those techniques are significantly affected by the assumptions used, including the discount rate and estimates of future cash flows. In that regard, the derived fair value estimates cannot be substantiated by comparison to independent markets and, in many cases could not be realized in immediate settlement of the instrument.

YORK TECHNICAL COLLEGE FOUNDATION, INC.

NOTES TO FINANCIAL STATEMENTS

— CONTINUED —

Fair Value (Continued)

The following levels of input for measurement of fair value have been defined to assist the user in evaluating the fair value disclosure information:

Level 1	Quoted prices in an active market for identical assets or liabilities.
Level 2	Other quoted prices in active markets for similar assets or liabilities, quoted prices for identical assets or liabilities in markets that are not active for transactions or availability of information, other observable sources of information, and information derived principally from or corroborated from observable sources of information.
Level 3	Unobservable sources of information, primarily management's assumptions about potential market participants.

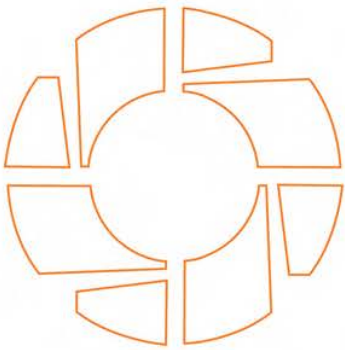
The estimated fair values of the Foundation's financial instruments are as follows and are included in the statement of financial position under similar descriptions:

	Level	Carrying Value	Fair Value
<u>Financial assets:</u>			
Cash	1	\$ 2,655,260	\$ 2,655,260
Investments	1	\$ 2,367,844	\$ 2,367,844
Accounts receivable	2	\$ 58,210	\$ 58,210
Contributions receivable	2	\$ 104,610	\$ 104,610
Accounts payable	2	\$ (54,250)	\$ (54,250)
Other accrued liabilities	2	\$ (23,420)	\$ (23,420)

Certain financial instruments and all nonfinancial instruments are excluded from the fair value disclosure requirements. Accordingly, the aggregate fair value amounts presented do not necessarily represent the value of the Foundation. The Foundation recognized \$118,770 in unrealized losses resulting from changes in fair value during the period.

Subsequent Events

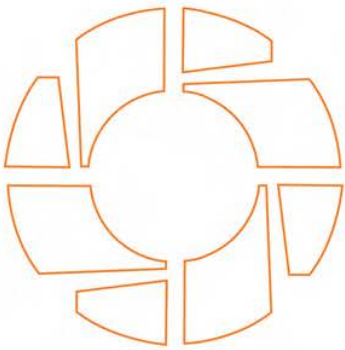
Subsequent events were evaluated through August 24, 2012, which is the date the financial statements were available for issue. Events occurring after that date have not been evaluated to determine whether a change in the financial statements would be required.



Statistical Section



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Schedules



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York Technical College

STATISTICAL SECTION

This section of the York Technical College Comprehensive Annual Financial Report presents information that will assist in understanding the information in the financial statements, note disclosures, and the supplementary information about the overall financial health of the College

CONTENTS

Financial Trends 63

The schedules in this section contain trend information to assist in understanding how the College's financial performance and well-being have changed over time.

Revenue Capacity 73

The schedules in this section contain information to assess the College's most significant revenue sources.

Debt Capacity 87

The schedule in this section presents information that assess the affordability of the College's current level of outstanding debt and the ability of the College to issue additional debt in future years.

Demographic and Economic Information 91

The schedules in this section offer demographic and economic indicators to assist in understanding the environment within the college's financial activities it performs.

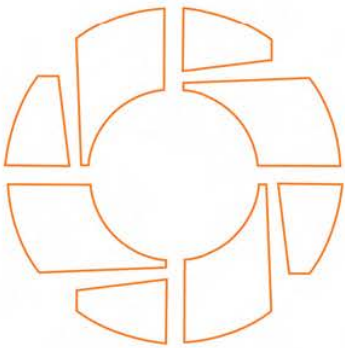
Operating Information 95

The schedules in this section contain service and infrastructure data to assist in understanding how the information in the College's financial report relates to the services it provides and the activities it performs.

Other Information 99

The schedules in this section are additional information that is not required By GASB 44 Statement but is of interest to those reading the report.

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Financial Trends Section



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York Technical College
Schedule of Net Assets and Changes in Net Assets
Fiscal Years 2003 to 2012

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Income Before Other Revenues, Expenses, Gains or Losses	\$ 448,129	\$ 1,581,962	\$ 964,517	\$ 1,726,290	\$ 2,860,965	\$ 3,027,507	\$ 1,365,053	\$ 2,118,076	\$ 3,267,215	\$ 436,456
Federal capital appropriation	-	-	141,929	383,719	781,547	1,058,081				
State capital appropriations	1,941,819	500,000	500,000	929,227	823,773	727,235	1,629,225	267,970		1,240,592
Local capital appropriations										(1,111)
Gains or Losses										
Total increase in net assets	<u>\$ 2,389,948</u>	<u>\$ 2,081,962</u>	<u>\$ 1,606,446</u>	<u>\$ 3,039,236</u>	<u>\$ 4,466,285</u>	<u>\$ 4,812,823</u>	<u>\$ 2,994,278</u>	<u>\$ 2,386,046</u>	<u>\$ 3,267,215</u>	<u>\$ 1,675,937</u>
Invested in capital assets, net of related debt and Accumulated Depreciation (Note 4)										
Unrestricted*	\$ 20,188,722	\$ 19,427,404	\$ 18,923,394	\$ 19,611,470	\$ 22,394,611	\$ 25,419,763	\$ 26,901,043	\$ 26,020,307	\$ 25,176,298	\$ 24,682,412
	2,689,429	5,532,709	7,643,165	9,994,325	11,559,461	13,348,275	14,860,647	18,127,429	22,238,653	24,408,476
Total College net assets	<u>\$ 22,878,151</u>	<u>\$ 24,960,113</u>	<u>\$ 26,566,559</u>	<u>\$ 29,605,795</u>	<u>\$ 33,954,072</u>	<u>\$ 38,768,038</u>	<u>\$ 41,761,690</u>	<u>\$ 44,147,736</u>	<u>\$ 47,414,951</u>	<u>\$ 49,090,888</u>

York Technical College
Current Funds Expenses by Function
Fiscal Years 2003 to 2012

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Expenses:										
Instruction	\$ 10,315,423	\$ 10,399,226	\$ 11,136,745	\$ 12,555,701	\$ 14,147,928	\$ 17,131,817	\$ 15,875,593	\$ 17,736,535	\$ 18,297,893	\$ 16,358,451
Academic Support	2,149,120	2,159,929	2,552,850	2,985,442	3,085,806	5,231,307	3,086,974	3,120,678	2,968,674	3,572,024
Student Support	1,596,704	1,623,156	2,665,494	3,081,324	3,281,060	2,115,325	6,091,297	5,461,586	4,445,632	3,427,888
Maint/Operations	2,575,171	2,543,847	2,705,843	3,083,591	3,631,559	3,445,884	3,568,992	3,648,432	4,396,635	4,035,709
Institutional Support	3,334,322	3,302,876	3,524,033	3,706,716	3,951,484	4,500,227	4,007,962	4,930,786	3,939,458	4,659,747
Scholarships	3,112,779	3,838,792	3,629,315	1,714,659	1,417,448	1,444,524	3,469,042	4,379,856	6,363,375	7,411,907
Auxiliary Enterprises	1,999,432	2,166,336	282,893	253,719	280,089	269,496	288,172	262,183	217,352	(11,272)
Depreciation	815,113	946,557	943,936	1,007,186	1,082,273	1,625,424	1,614,491	1,542,001	1,572,355	1,543,556
Total Expenses	\$ 25,898,064	\$ 26,980,719	\$ 27,441,109	\$ 28,388,338	\$ 30,877,646	\$ 35,764,004	\$ 38,002,523	\$ 41,082,057	\$ 42,201,374	\$ 40,998,010

	Percentage of Total									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Expenses:										
Instruction	38.54%	40.58%	44.23%	45.82%	47.90%	41.78%	43.17%	43.17%	43.36%	39.90%
Academic Support	8.01%	9.30%	10.52%	9.99%	14.63%	8.12%	7.60%	7.60%	7.03%	8.71%
Student Support	6.02%	9.71%	10.85%	10.63%	5.91%	16.03%	13.29%	13.29%	10.53%	8.36%
Maint/Operations	9.43%	9.86%	10.86%	11.76%	9.64%	9.39%	8.88%	8.88%	10.42%	9.84%
Institutional Support	12.24%	12.84%	13.06%	12.80%	12.58%	10.55%	12.00%	12.00%	9.33%	11.37%
Scholarships	14.23%	13.23%	6.04%	4.59%	4.04%	9.13%	10.66%	10.66%	15.08%	18.08%
Auxiliary Enterprises	8.03%	1.03%	0.89%	0.91%	0.75%	0.76%	0.64%	0.64%	0.52%	-0.03%
Depreciation	3.51%	3.44%	3.55%	3.51%	4.54%	4.25%	3.75%	3.75%	3.73%	3.76%
Total Expenses	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%

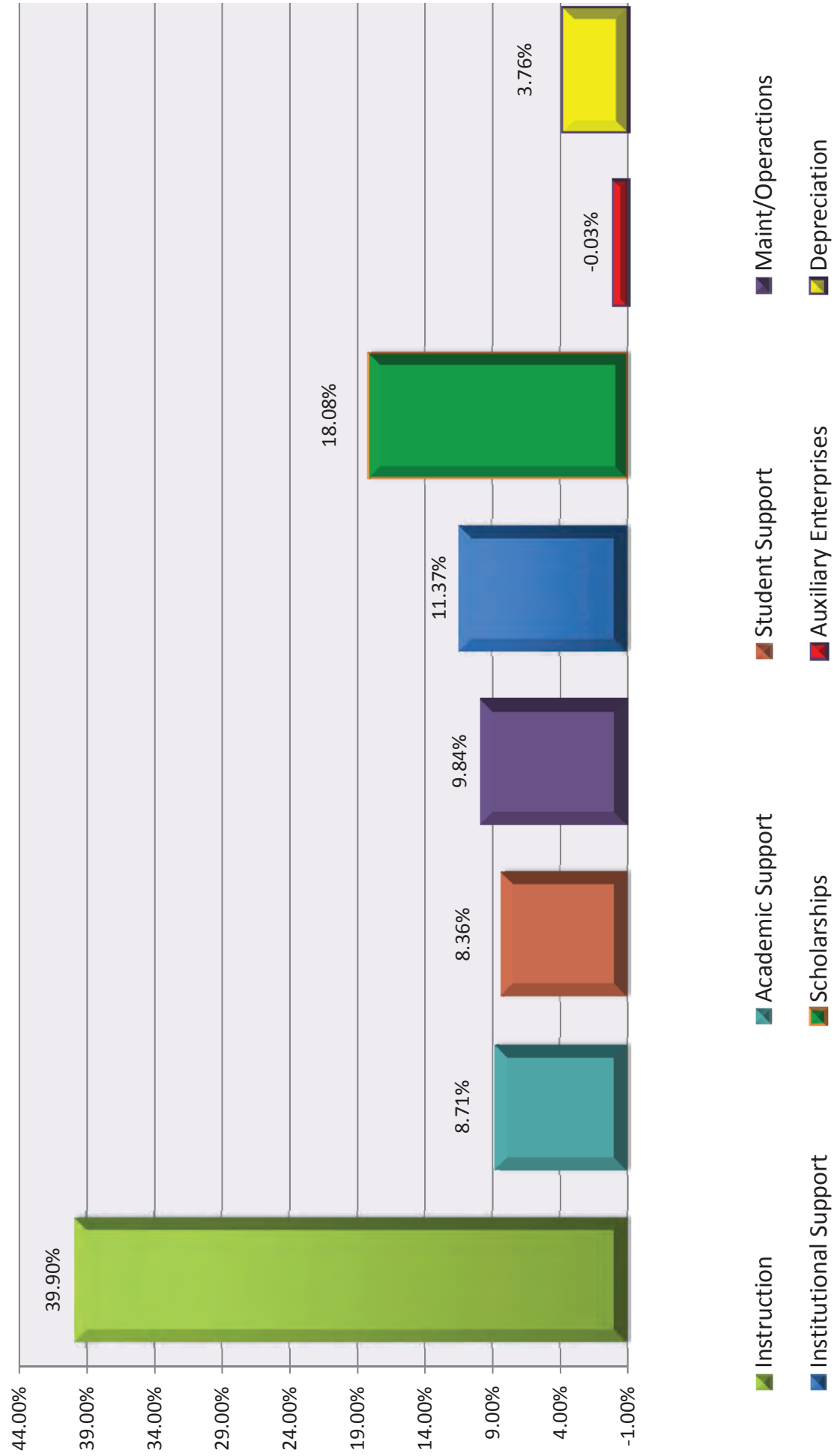
Source: Annual Reports on Financial Statements for years presented.

Note: Current Funds include the General Fund, the Auxiliary Enterprises Fund and the Restricted Fund.

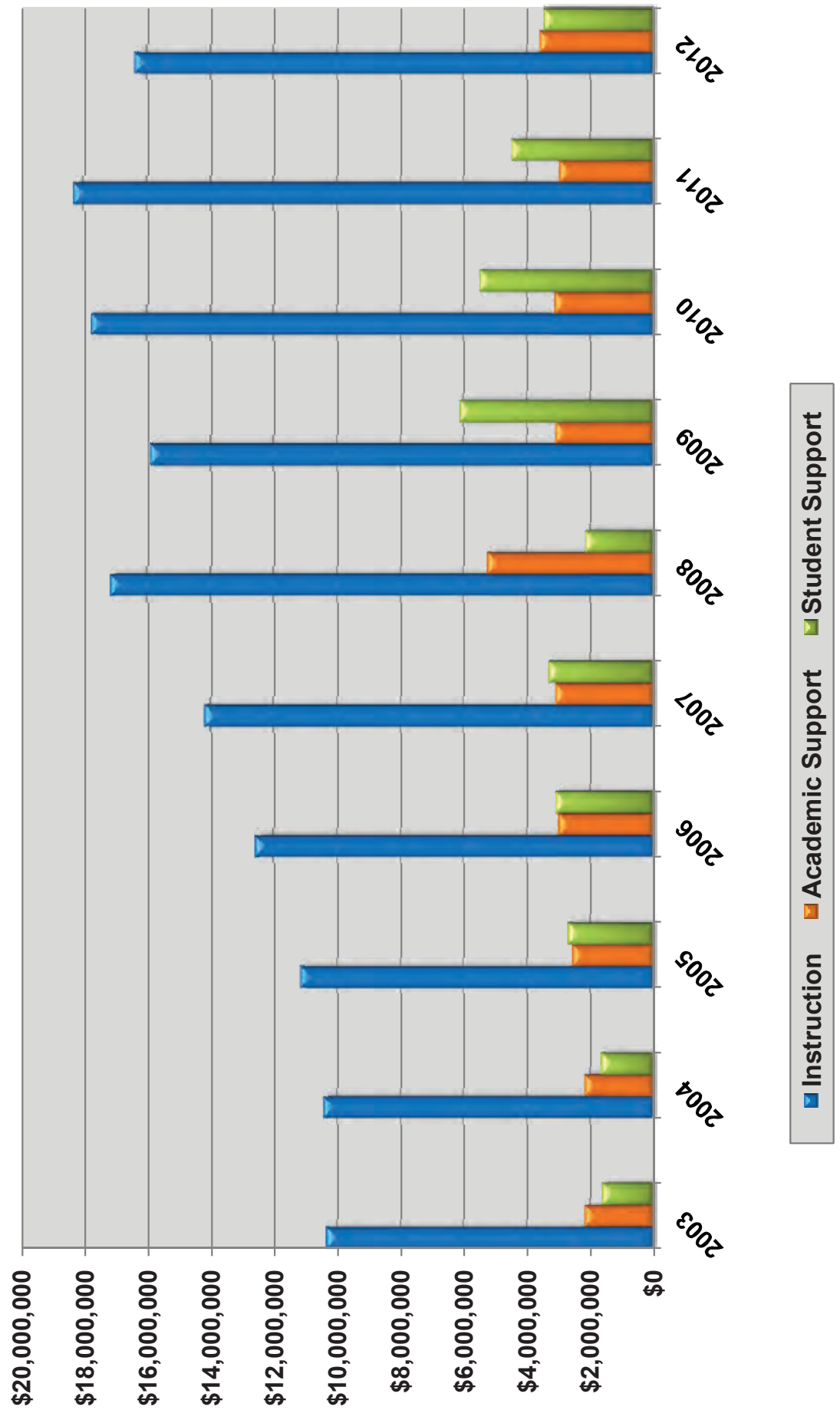
York Technical College

Current Fund Expenses

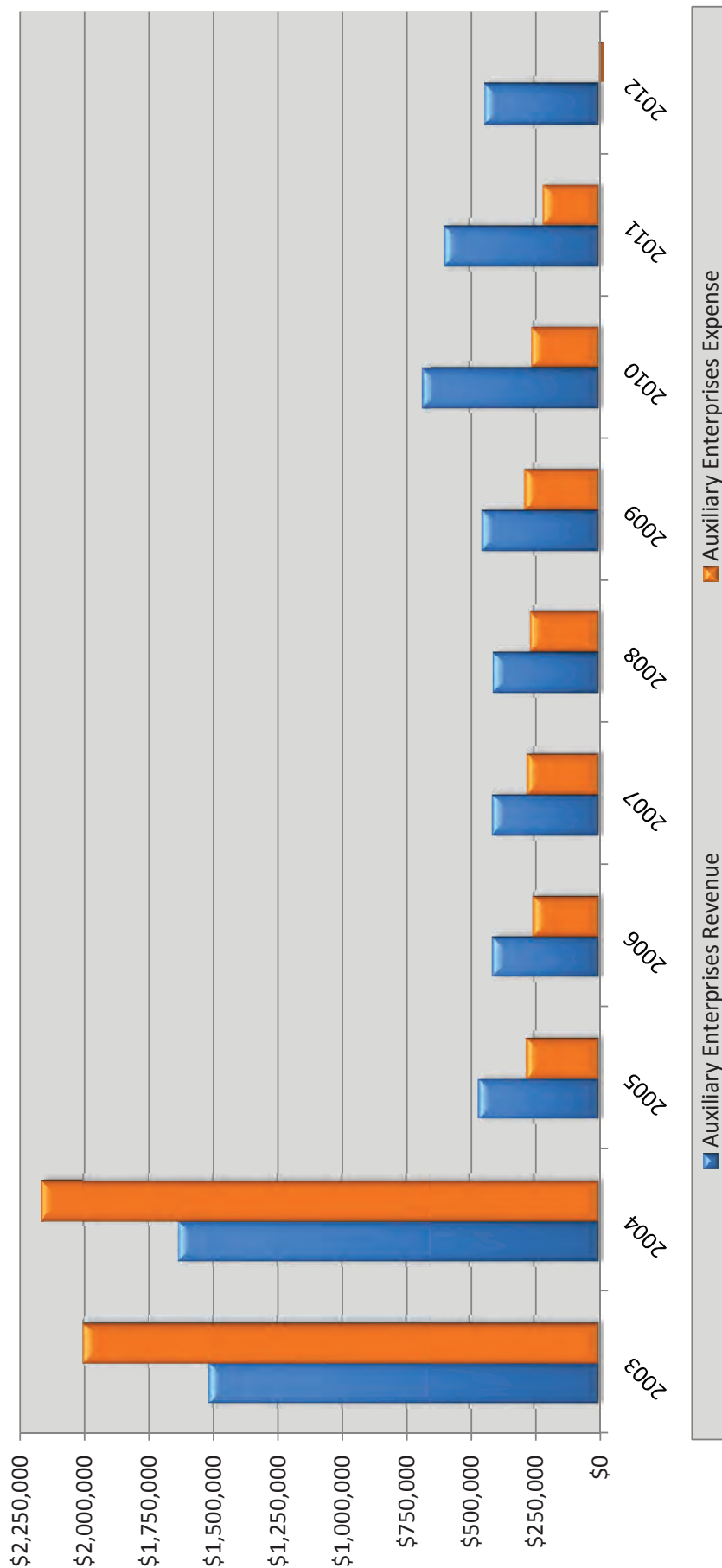
Fiscal Year Ended June 30, 2012



York Technical College Student and Academic Affairs 10 Year Expense Comparison Fiscal Years 2003 to 2012

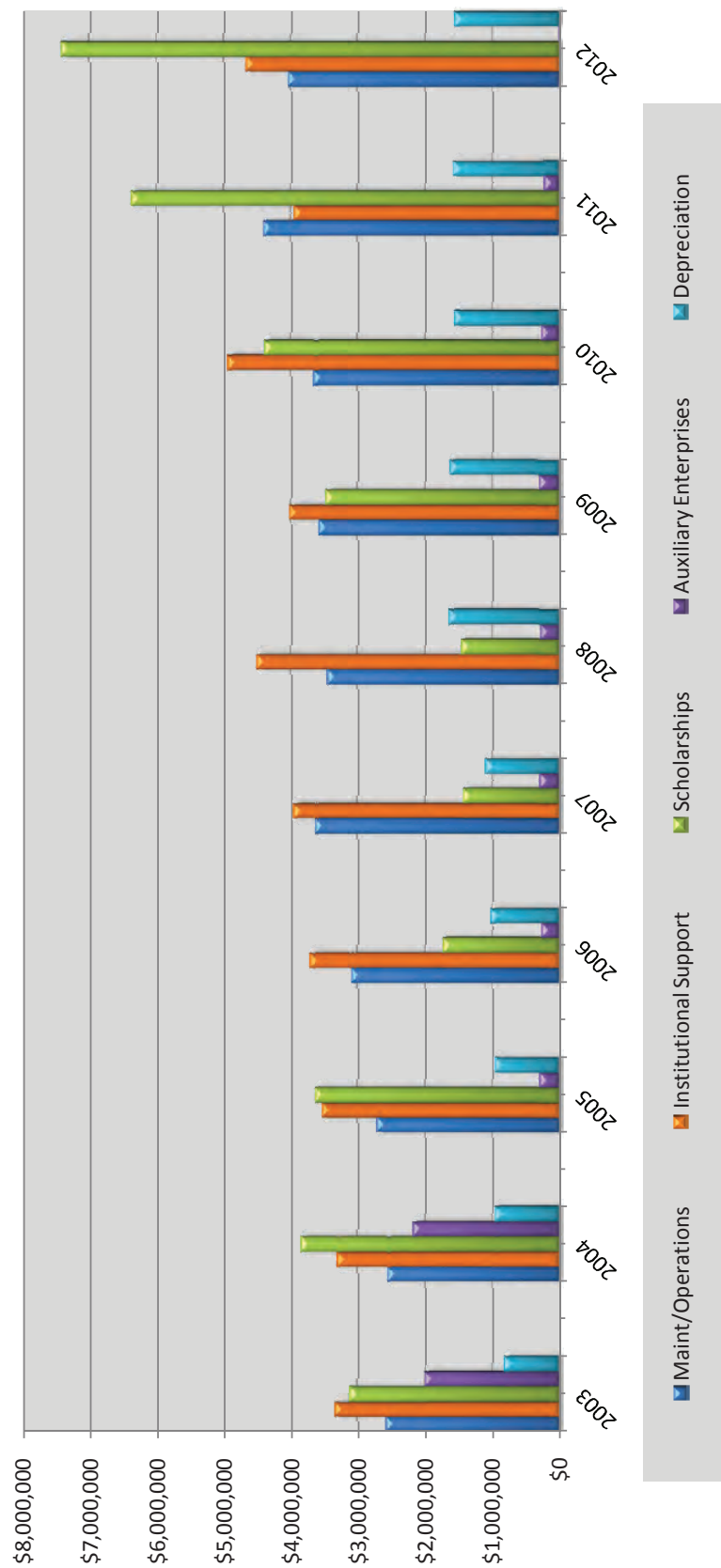


York Technical College **Auxiliary Enterprises Revenue & Expense Comparison** **Fiscal Years 2003 to 2012**



*Barnes & Noble assumed the operations of the Bookstore on March 1, 2004

York Technical College **Facilities & Administrative Support** **10 Year Expense Comparison** **Fiscal Years 2003 to 2012**



** Barnes & Noble assumed the operations of the Bookstore on March 1, 2004

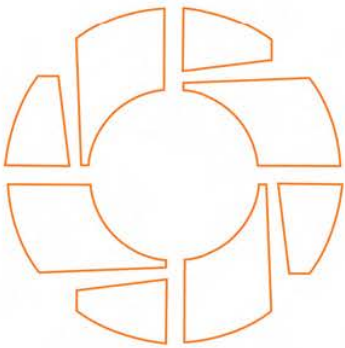
York Technical College
Expenses by Use
Fiscal Years 2003 to 2012

Expenses:	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Salaries	\$ 14,125,744	\$ 14,454,265	\$ 15,246,775	\$ 16,602,259	\$ 17,539,817	\$ 19,539,909	\$ 19,981,809	\$ 21,177,523	\$ 20,294,453	\$ 20,125,267
Benefits	3,574,402	3,458,715	3,668,478	3,918,776	4,316,799	4,830,245	5,161,243	5,355,332	5,385,602	5,447,966
Scholarships	1,862,542	2,716,484	3,629,315	1,714,659	1,417,448	1,444,524	3,469,042	4,379,856	6,363,375	7,411,907
Utilities	610,200	651,747	771,207	785,441	737,651	903,539	942,542	989,088	1,087,878	939,880
Supplies and Other Services	4,910,063	4,752,951	3,181,398	4,360,020	5,783,658	7,420,363	6,833,396	7,638,257	7,497,711	5,529,434
Depreciation	815,113	946,557	943,936	1,007,186	1,082,273	1,625,424	1,614,491	1,542,001	1,572,355	1,543,556
Total Operation Expenses	\$ 25,898,064	\$ 26,980,719	\$ 27,441,109	\$ 28,388,341	\$ 30,877,646	\$ 35,764,004	\$ 38,002,523	\$ 41,082,057	\$ 42,201,374	\$ 40,998,010
Gain (Loss) on Disposal of Fixed Assets	-	-	14,719	6,258	3,313	-	-	-	-	-
Total Operation Expenses	\$ 25,898,064	\$ 26,980,719	\$ 27,455,828	\$ 28,394,599	\$ 30,880,959	\$ 35,764,004	\$ 38,002,523	\$ 41,082,057	\$ 42,201,374	\$ 40,998,010

Expenses:	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Salaries	54.5%	53.6%	55.5%	58.5%	56.8%	54.6%	52.6%	51.5%	48.1%	49.1%
Benefits	13.8%	12.8%	13.4%	13.8%	14.0%	13.5%	13.6%	13.0%	12.8%	13.3%
Scholarships	7.2%	10.1%	13.2%	6.0%	4.6%	4.0%	9.1%	10.7%	15.1%	18.1%
Utilities	2.4%	2.4%	2.8%	2.8%	2.4%	2.5%	2.5%	2.4%	2.6%	2.3%
Supplies and Other Services	19.0%	17.6%	11.6%	15.4%	18.7%	20.7%	18.0%	18.6%	17.8%	13.5%
Depreciation	3.1%	3.5%	3.4%	3.5%	3.5%	4.5%	4.2%	3.8%	3.7%	3.8%
Total Operation Expenses	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Gain (Loss) on Disposal of Fixed Assets	0.0%	0.0%	0.1%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Total Operation Expenses	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%

Source: York Technical College Audited Financial Statements

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Revenue Capacity Section



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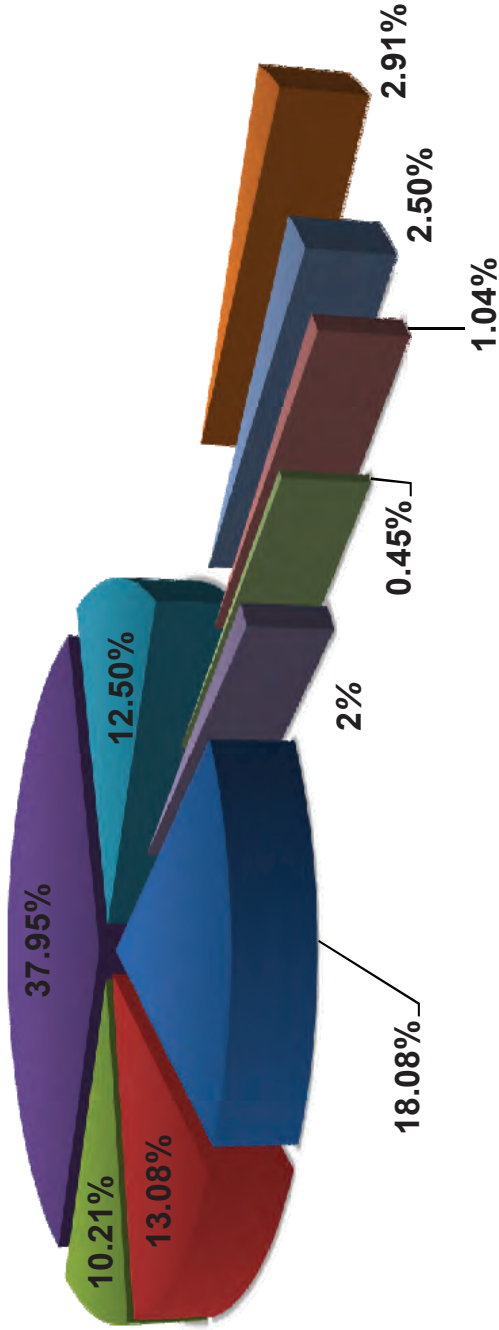
York Technical College
Schedule of Revenues by Source
Fiscal Years 2003 to 2012

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Revenues:										
Tuition and Fees	\$ 4,129,860	\$ 5,894,185	\$ 6,425,601	\$ 6,564,840	\$ 6,915,300	\$ 7,071,617	\$ 7,727,306	\$ 7,093,203	\$ 7,394,641	\$ 7,716,690
State Appropriations	8,824,144	7,510,744	7,635,998	7,837,455	8,072,842	9,088,807	7,114,944	6,900,225	6,378,832	5,583,246
Local Appropriations	2,425,500	2,580,473	2,711,832	2,965,662	3,582,214	4,335,358	5,605,943	4,378,035	4,235,326	4,357,480
Federal Grant/Contracts	6,120,776	6,555,092	6,252,085	6,661,172	7,903,321	11,901,015	13,357,062	18,250,531	20,276,043	16,194,429
State Grants/Contracts	2,198,338	3,210,652	3,663,135	3,983,750	5,186,857	5,341,753	4,714,405	4,633,849	4,801,647	5,335,013
Local Grants/Contracts	-	-	-	-	-	-	-	-	-	1,240,592
Sales/Serv. of Educ. Depts	721,418	720,075	866,984	867,089	915,010	977,189	1,039,352	1,009,186	1,054,132	1,068,682
Auxiliary Enterprises	1,511,875	1,632,340	464,023	411,830	411,277	409,306	452,893	684,008	598,160	442,157
Investment Income	48,664	50,931	175,423	403,047	527,346	331,516	87,650	52,380	136,155	190,867
Other	365,618	408,189	210,545	308,820	439,905	1,120,266	897,246	466,686	593,653	545,902
Total Revenues	\$ 26,346,193	\$ 28,562,681	\$ 28,405,626	\$ 30,003,665	\$ 33,954,072	\$ 40,576,827	\$ 40,996,801	\$ 43,468,103	\$ 45,468,589	\$ 42,675,058

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Percentage of Total										
Revenues:										
Tuition and Fees	15.7%	20.6%	22.6%	21.9%	20.4%	17.4%	18.8%	16.3%	16.3%	18.1%
State Appropriations	33.5%	26.3%	26.9%	26.1%	23.8%	22.4%	17.4%	15.9%	14.0%	13.1%
Local Appropriations	9.2%	9.0%	9.5%	9.9%	10.6%	10.7%	13.7%	10.1%	9.3%	10.2%
Federal Grant/Contracts	23.2%	22.9%	22.0%	22.2%	23.3%	29.3%	32.6%	42.0%	44.6%	37.9%
State Grants/Contracts	8.3%	11.2%	12.9%	13.3%	15.3%	13.2%	11.5%	10.7%	10.6%	12.5%
Local Grants/Contracts	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	2.9%
Sales/Serv. of Educ. Depts	2.7%	2.5%	3.1%	2.9%	2.7%	2.4%	2.5%	2.3%	2.3%	2.5%
Auxiliary Enterprises	5.7%	5.7%	1.6%	1.4%	1.2%	1.0%	1.1%	1.6%	1.3%	1.0%
Investment Income	0.2%	0.2%	0.6%	1.3%	1.6%	0.8%	0.2%	0.1%	0.3%	0.4%
Other	1.4%	1.4%	0.7%	1.0%	1.0%	1.0%	1.0%	1.1%	1.3%	1.3%
Total Revenues	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%

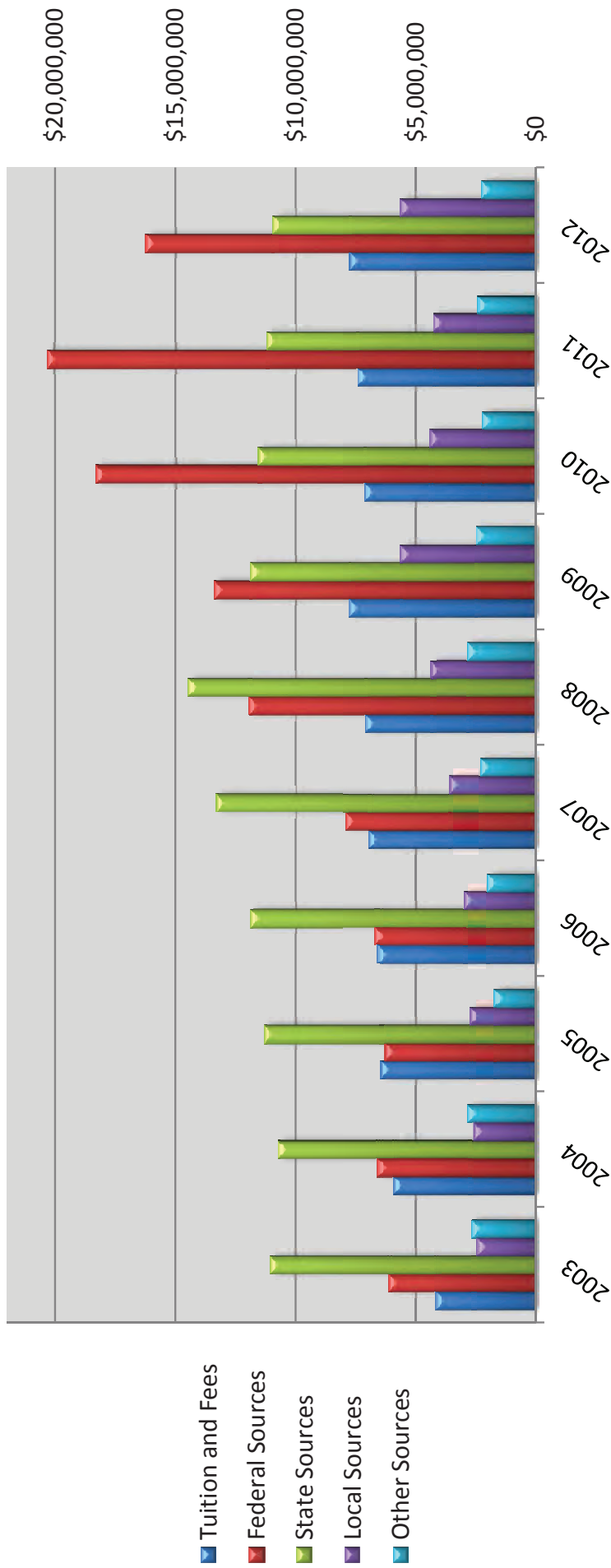
Source: Annual Financial Statements for years presented.

York Technical College
 Current Fund Revenues
 Fiscal Year Ended June 30, 2012



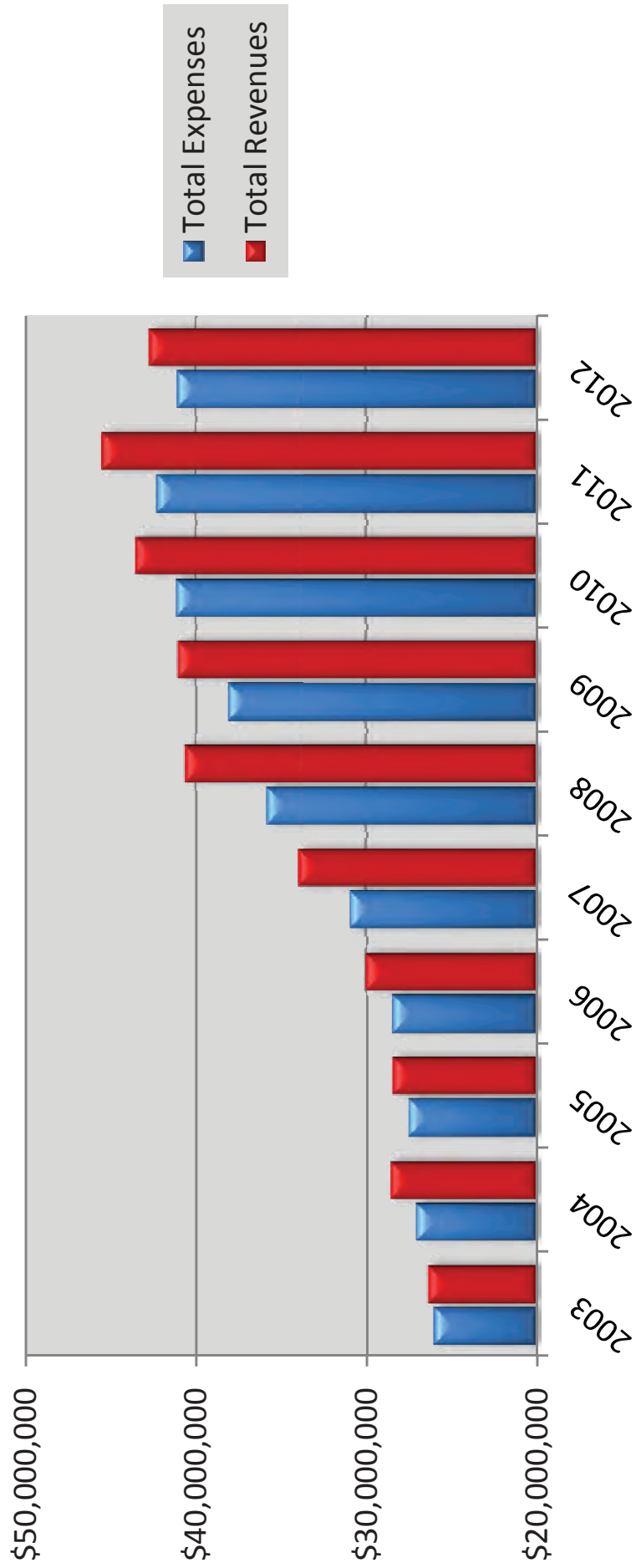
Tuition and Fees	State Appropriations	Local Appropriations
Federal Grant/Contracts	State Grants/Contracts	Local Grants/Contracts
Sales/Serv. of Educ. Depts.	Auxiliary Enterprises	Investment Income
Other		

York Technical College 10 Year Revenue Comparison Fiscal Years 2003 to 2012



York Technical College

Total Revenue & Expenses 10 Year Comparison Fiscal Years 2003 to 2012



South Carolina Public Two Year Institutions
Required Tuition & Fees for Full-time Undergraduates
Last Ten Academic Years

Technical Colleges	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
<u>In-County</u>										
Aiken	\$ 2,600	\$ 2,836	\$ 3,036	\$ 3,190	\$ 3,298	\$ 3,506	\$ 3,626	\$ 3,706	3,722	3,866
Central Carolina	2,500	2,500	2,700	2,900	2,920	3,020	3,308	3,380	3,476	3,584
Denmark	2,248	2,278	2,378	2,278	2,278	2,378	2,492	2,590	2,500	2,568
Florence-Darlington	2,976	2,986	3,026	3,190	3,190	3,190	3,302	3,422	3,658	3,766
Greenville	2,600	2,900	3,000	3,190	3,290	3,396	3,492	3,616	3,748	3,866
Horry-Georgetown	2,394	2,680	2,800	2,944	3,114	3,194	3,206	3,446	3,530	3,530
Midlands	2,836	2,908	3,004	3,100	3,244	3,360	3,608	3,800	3,706	3,788
Northeastern TC	2,346	2,346	2,526	2,646	2,982	3,270	3,270	3,342	3,438	3,534
Orangeburg-Calhoun	2,496	2,640	2,640	2,832	2,832	3,048	3,218	3,454	3,554	3,650
Piedmont	2,596	2,740	2,860	2,956	3,126	3,076	3,334	3,556	3,572	3,714
Spartanburg	2,660	2,806	2,902	3,094	3,194	3,314	3,434	3,576	3,740	3,820
TC of the Lowcountry	2,600	2,900	3,050	3,050	3,150	3,270	3,382	3,556	3,676	3,772
Tri County	2,450	2,546	2,738	2,856	2,976	3,060	3,168	3,570	3,570	3,648
Trident	2,446	2,688	2,950	3,114	3,220	3,330	3,450	3,530	3,600	3,712
Williamsburg	2,112	2,692	2,692	2,830	2,830	2,942	3,042	3,264	3,438	3,540
York	2,736	2,886	3,036	3,124	3,124	3,244	3,352	3,496	3,628	3,712
System Average	\$ 2,537	\$ 2,708	\$ 2,834	\$ 2,956	\$ 3,048	\$ 3,162	\$ 3,293	\$ 3,457	\$ 3,535	\$ 3,629

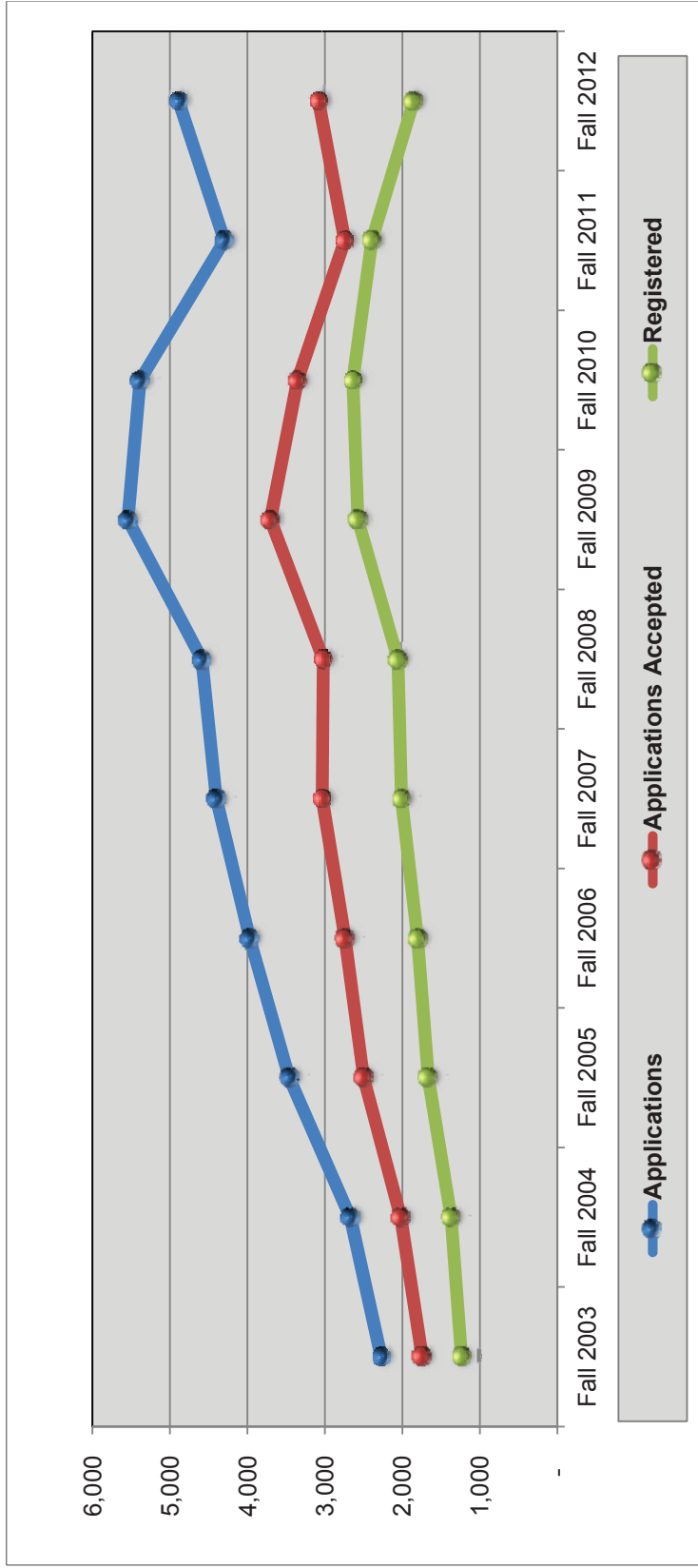
Two-year Regional Campuses of USC

<u>In-State</u>										
USC - Lancaster	\$ 3,656	\$ 4,058	\$ 4,324	\$ 4,652	\$ 4,868	\$ 5,264	\$5,528	\$ 5,888	\$ 6,092	6,284
USC - Salkehatchie	3,656	4,058	4,324	4,652	4,868	5,264	5,528	5,888	6,092	6,284
USC - Sumter	3,656	4,058	4,324	4,652	4,868	5,264	5,528	5,888	6,092	6,284
USC - Union	3,656	4,058	4,324	4,652	4,868	5,264	5,528	5,888	6,092	6,284

Source: http://www.che.sc.gov/Finance/Fin/10-YearTuitionSummary_In&Out_Spring.pdf

York Technical College Admissions Statistics 10 Year Comparison

Admissions	Fall 2003	Fall 2004	Fall 2005	Fall 2006	Fall 2007	Fall 2008	Fall 2009	Fall 2010	Fall 2011	Fall 2012
Applications	2,275	2,670	3,458	3,971	4,398	4,589	5,542	5,387	4,297	4,890
Applications Accepted	1,745	2,023	2,502	2,741	3,036	3,022	3,705	3,355	2,745	3,080
Registered	1,240	1,374	1,666	1,804	2,011	2,057	2,576	2,640	2,394	1,855
Percent Accepted	76.7%	75.8%	72.4%	69.0%	69.0%	65.9%	66.9%	62.3%	63.9%	63.0%
Percent Registered	71.1%	67.9%	66.6%	65.8%	66.2%	68.1%	69.5%	78.7%	87.2%	60.2%



Source: Datatel

York Technical College Student Fall Enrollment Demographics

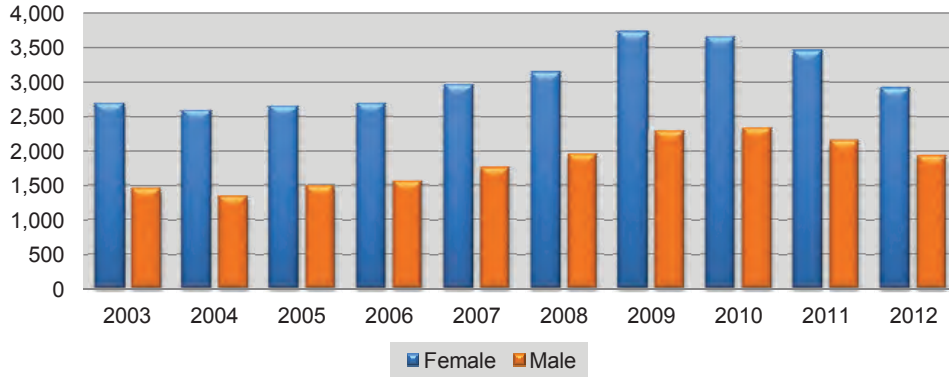
<u>GENDER</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
Female	2,705	2,596	2,654	2,700	2,971	3,142	3,739	3,666	3,465	2,920
Male	<u>1,466</u>	<u>1,341</u>	<u>1,499</u>	<u>1,563</u>	<u>1,760</u>	<u>1,956</u>	<u>2,295</u>	<u>2,334</u>	<u>2,156</u>	<u>1,929</u>
Total	4,171	3,937	4,153	4,263	4,731	5,098	6,034	6,000	5,621	4,849
<u>RACE</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
Black	1,085	972	1,010	1,020	1,168	1,231	1,501	1,559	1,326	1,205
White	2,890	2,775	2,934	3,008	3,285	3,554	3,893	3,813	3,586	2,874
Other	<u>196</u>	<u>190</u>	<u>209</u>	<u>235</u>	<u>278</u>	<u>313</u>	<u>640</u>	<u>628</u>	<u>709</u>	<u>770</u>
Total	4,171	3,937	4,153	4,263	4,731	5,098	6,034	6,000	5,621	4,849
<u>COUNTY</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
Chester	425	385	379	418	506	508	634	532	500	388
Lancaster	558	557	570	617	670	743	798	714	623	588
York	3,028	2,831	3,008	3,014	3,305	3,554	4,248	4,394	4,131	3,537
Other SC	113	106	119	130	130	132	158	165	167	146
Out-of-State	<u>47</u>	<u>58</u>	<u>77</u>	<u>84</u>	<u>120</u>	<u>161</u>	<u>196</u>	<u>195</u>	<u>200</u>	<u>190</u>
Total	4,171	3,937	4,153	4,263	4,731	5,098	6,034	6,000	5,621	4,849
<u>HEADCOUNT</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
Full-time	2,027	1,985	2,039	2,040	2,279	2,374	2,970	2,950	2,649	2,295
Part-time	<u>2,144</u>	<u>1,952</u>	<u>2,114</u>	<u>2,223</u>	<u>2,452</u>	<u>2,724</u>	<u>3,064</u>	<u>3,050</u>	<u>2,972</u>	<u>2,554</u>
Total	4,171	3,937	4,153	4,263	4,731	5,098	6,034	6,000	5,621	4,849
	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
<u>FTE's</u>	2,688	2,593	2,731	2,763	3,040	3,245	3,912	3,916	3,585	3,129
	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
<u>RATIO FTE/HC</u>	64%	66%	66%	65%	64%	64%	65%	65%	64%	65%
	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
<u>AVERAGE CREDITS</u>	9.7	9.9	9.9	9.7	9.6	9.5	9.7	9.8	9.6	9.7
	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
<u>AVERAGE AGE</u>	25.8	25.8	25.9	25.5	25.9	25.7	26.8	26.9	26.6	26.9
<u>DEGREES AWARDED</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
Associate Degrees	261	282	277	325	394	412	402	442	503	463
Diplomas	73	77	82	87	75	125	116	133	143	118
Certificates	<u>168</u>	<u>242</u>	<u>262</u>	<u>323</u>	<u>293</u>	<u>305</u>	<u>381</u>	<u>345</u>	<u>396</u>	<u>362</u>
	502	601	621	735	762	842	899	920	1,042	943

*FTEs are calculated by total number of credit hours divided by 15 as published by CHE's website <http://www.che400.state.sc.us/>.

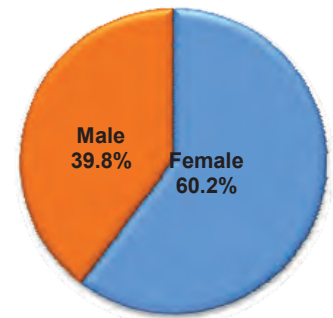
Source: Office of Institutional Effectiveness and Research

York Technical College
Student Fall Enrollment Demographics
10 Year Comparison

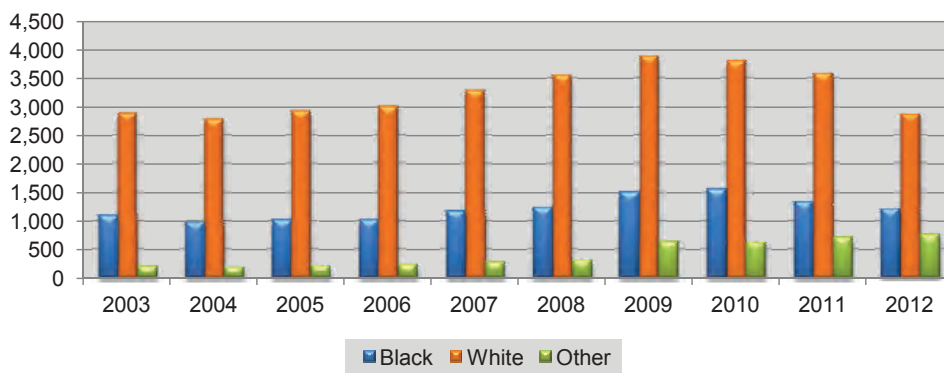
Opening Fall Enrollment By Gender



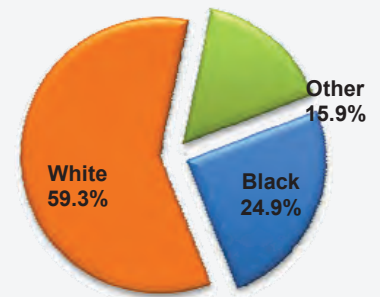
Fall 2012



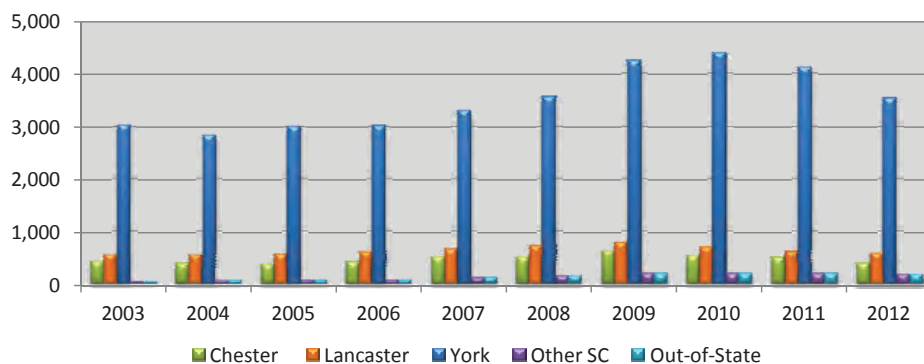
Opening Fall Enrollment by Race



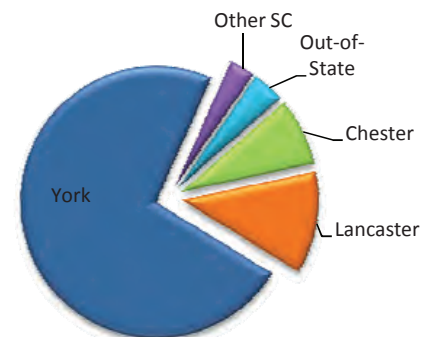
Fall 2012



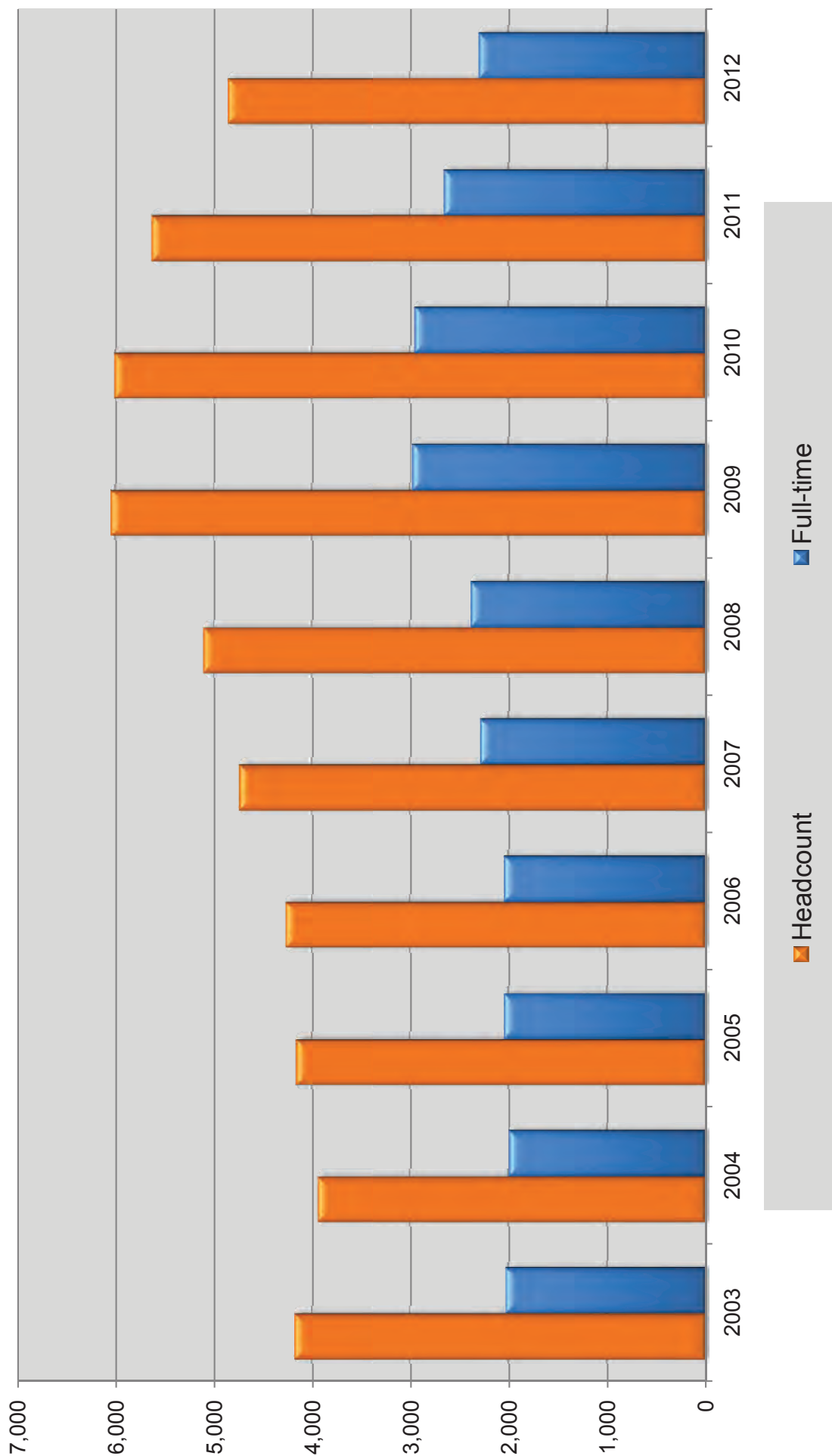
Opening Fall Enrollment by County



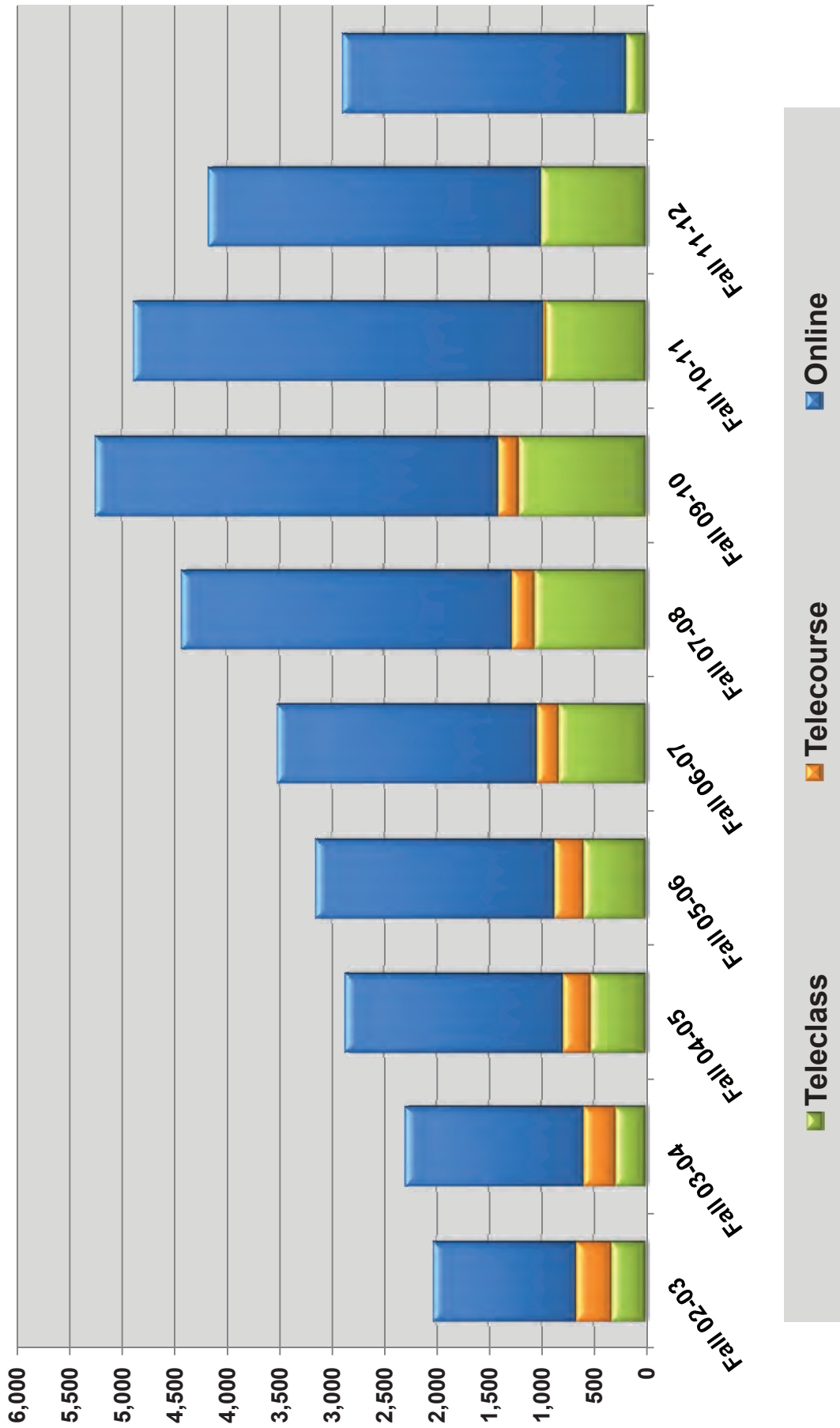
Fall 2012



York Technical College **Student Fall Headcount/FTE** **10 Year Comparison**



York Technical College Distance Learning Duplicated Fall Enrollment 10 Year Comparison



Source: YTC Student Database

Office of IE and Research

YORK TECHNICAL COLLEGE
Continuing Education Division Statistics
Most Recent Years Available

Continuing Education Programs:

Health and Human Services
Personal Interest
Information Technology
Construction Trades
Center for Business Excellence
and Advanced Manufacturing

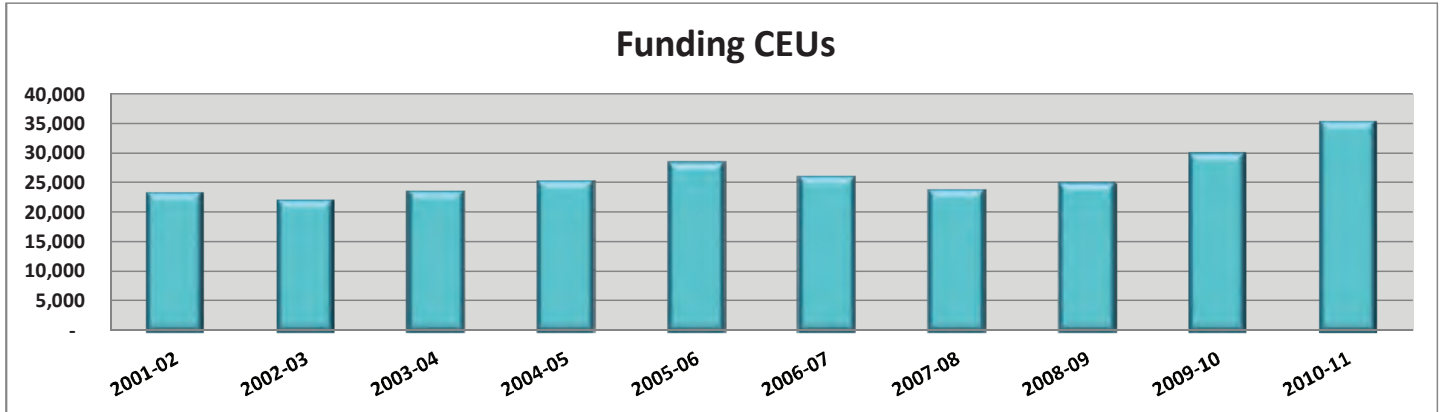
Licensing and Certification
Line Worker Training
Truck Driver Training
Workforce Development
Energy and Environmental

Continuing Education Contact Hours

Audit Year	<u>2001-02</u>	<u>2002-03</u>	<u>2003-04</u>	<u>2004-05</u>	<u>2005-06</u>	<u>2006-07</u>	<u>2007-08</u>	<u>2008-09</u>	<u>2009-10</u>	<u>2010-2011</u>
Contact Hours	229,118	215,998	231,109	248,824	280,424	256,042	233,859	245,545	295,868	349,218

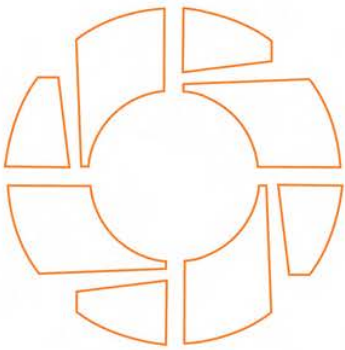
Continuing Education Program CEUs

Audit Year	<u>2001-02</u>	<u>2002-03</u>	<u>2003-04</u>	<u>2004-05</u>	<u>2005-06</u>	<u>2006-07</u>	<u>2007-08</u>	<u>2008-09</u>	<u>2009-10</u>	<u>2010-11</u>
Program Funding CEUs	22,912	21,600	23,111	24,882	28,042	25,604	23,386	24,555	29,587	34,922



Source: SC Technical College System - Budget and Reporting

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Debt Capacity Section



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York Technical College
Schedule of Outstanding Debt
Last Ten Fiscal Years

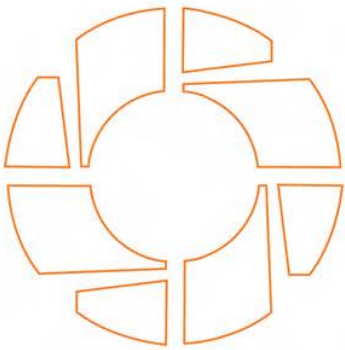
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Notes Payable	N/A	N/A	N/A	N/A	N/A	\$ 950,000	\$ 800,250	\$ 661,025	\$ 512,147	\$ 389,554	\$ 213,018
Total outstanding debt	N/A	N/A	N/A	N/A	N/A	\$ 950,000	\$ 800,250	\$ 661,025	\$ 512,147	\$ 389,554	\$ 213,018
Full-time equivalent students											
Annual Credit Student FTEs	N/A	N/A	N/A	N/A	N/A	3,232	3,608	3,915	4,697	4,476	4,004
Annual Non-Credit Student FTEs	N/A	N/A	N/A	N/A	N/A	505	368	413	447	542	650
Total enrollment	N/A	N/A	N/A	N/A	N/A	3,737	3,976	4,328	5,144	5,018	4,654
Outstanding debt per student	N/A	N/A	N/A	N/A	N/A	\$ 254	\$ 201	\$ 153	\$ 100	\$ 78	\$ 46

Note: Payments on outstanding debt are primarily funded with Fee-in-Lieu of tax revenue through York County Government.

For additional information on notes payable, see Note 16 in the notes to the financial statements.

Source: York Technical College Comprehensive Annual Financial Reports

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Demographic & Economic Information Section



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York Technical College
Economic Indicators for the College Service Area
Most Recent Data Available

Per Capita Personal Income

	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
Chester	21,232	22,088	22,536	23,789	25,043	26,339	26,745	27,477	26,726	27,299	unavailable
Lancaster	21,719	21,489	21,767	22,549	23,319	24,399	24,797	25,186	24,195	25,030	
York	27,054	27,941	28,462	29,620	31,146	32,751	33,659	34,106	32,240	32,906	
South Carolina State Total	25,637	26,049	26,663	27,844	29,131	30,794	31,990	32,971	31,448	32,193	

Total Personal Income

	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
Chester	723,253	752,837	764,412	800,097	835,773	875,037	889,196	919,231	887,580	904,177	unavailable
Lancaster	1,352,028	1,359,852	1,397,638	1,467,434	1,536,117	1,634,549	1,723,471	1,831,859	1,824,137	1,926,356	
York	4,574,843	4,834,315	5,041,713	5,386,032	5,859,173	6,481,148	7,022,717	7,416,876	7,209,432	7,468,372	
South Carolina State Total	104,214,765	107,002,284	110,660,290	117,248,153	124,392,180	134,196,693	142,166,788	149,324,705	144,342,563	149,283,181	

Population of Service Area

	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
Chester	34,064	34,083	33,920	33,633	33,373	33,222	33,247	33,454	33,210	33,121	unavailable
Lancaster	62,250	63,282	64,210	65,079	65,875	66,992	69,504	72,733	75,394	76,962	
York	169,103	173,021	177,138	181,839	188,117	197,892	208,640	217,463	223,616	226,959	
Total	265,417	270,386	275,268	280,551	287,365	298,106	311,391	323,650	332,220	337,042	
South Carolina State Total	4,064,995	4,107,795	4,150,297	4,210,921	4,270,150	4,357,847	4,444,110	4,528,996	4,589,872	4,637,106	

Source: US Department of Commerce - Bureau of Economic Analysis. "Regional Economic Accounts: Bureau of Economic Analysis." [US Bureau of Economic Analysis](http://www.bea.gov/regional/reis).
<<http://www.bea.gov/regional/reis>>.

**Labor Market-
Unemployment Trends (Annual Average)**

	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
Chester	7.7%	10.0%	10.9%	9.8%	9.2%	10.1%	10.8%	11.8%	20.2%	18.4%	16.0%
Lancaster	5.5%	6.6%	8.9%	8.9%	8.4%	8.9%	9.5%	11.4%	17.8%	15.9%	13.9%
York	4.8%	6.5%	7.4%	7.2%	6.7%	6.3%	5.3%	7.0%	13.8%	15.5%	13.6%
South Carolina	5.2%	6.0%	6.7%	6.8%	6.8%	6.4%	5.6%	6.8%	11.5%	11.2%	10.3%
United States	4.7%	5.8%	6.0%	5.5%	5.1%	4.6%	4.6%	5.8%	9.3%	9.6%	8.9%

Source: Bureau of Labor Statistics, US Department of Labor, <<http://data.bls.gov/cgi-bin/srgate>>, http://www.bls.gov/cps/prev_yrs.htm.

Announced Job Creation

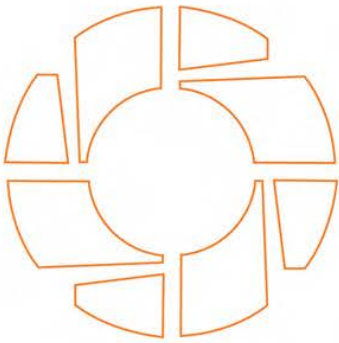
	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
Chester	95	247	100	440	117	540	292	214	125	50	71
Lancaster	252	1,883	60	230	1,046	1,103	886	942	1270	585	437
York	3,844	554	1,852	1,760	374	695	988	432	1097	423	756

Source: SC Department of Commerce- <<http://scommerce.com/data-resources/publications>>. [Capital Investment by County in South Carolina 2003-2011](http://www.southcarolina.gov).

York Technical College
Principal Employers by County
June 30, 2012

Chester County	Cardinal Health 200 Inc	Abibow US Inc
Chester County School District	Chester Lancaster Disabilities	Amisub of South Carolina
Chester HMA Inc	City of Lancaster	City of Rock Hill
Chester Telephone	CMHA Primary Care Facilities Inc	Clover School District
Chester Wood Products LLC	Continental Tire North America Inc	County of York
City of Chester	Founders Federal Credit Union	DMSI Staffing LLC
Guardian Industries Corporation	Hand Held Products Inc	Duke Energy Corporation
Haddon House Food Products Inc	Kanawha Insurance Company	Express Services Inc
Industrial Piping Inc	Lancaster County	Fort Mill School District
McDonalds	Lancaster County School District	INA USA Corporation
Morcon Inc	Lancaster High School	Muzak LLC
Morrison Textile Machinery Company	Lancaster Hospital Corporation	Rock Hill School District
Omnova Solutions Inc	Newbold Services Lancaster 601 LLC	Rock Hill Telephone
Owens Corning Masonry Products LLC	RBUS Inc	Ross Dress For Less Inc
PPG Industries Fiber Glass Products	SC Department of Corrections	Upper Palmetto YMCA
SC Department of Transportation	The Gillette Company	US Foodservice Inc
Schneider National Carriers Inc	Thomas & Betts Corporation	Wal-Mart
TDY Industries LLC	Titanium Solutions Inc	Wells Fargo Bank NA
United Contractors LLC	Wal-Mart	Winthrop University
Wal-Mart Associates Inc	White Oak Manor Lancaster Inc	York Technical College

Source: S.C Department of Employment and Workforce



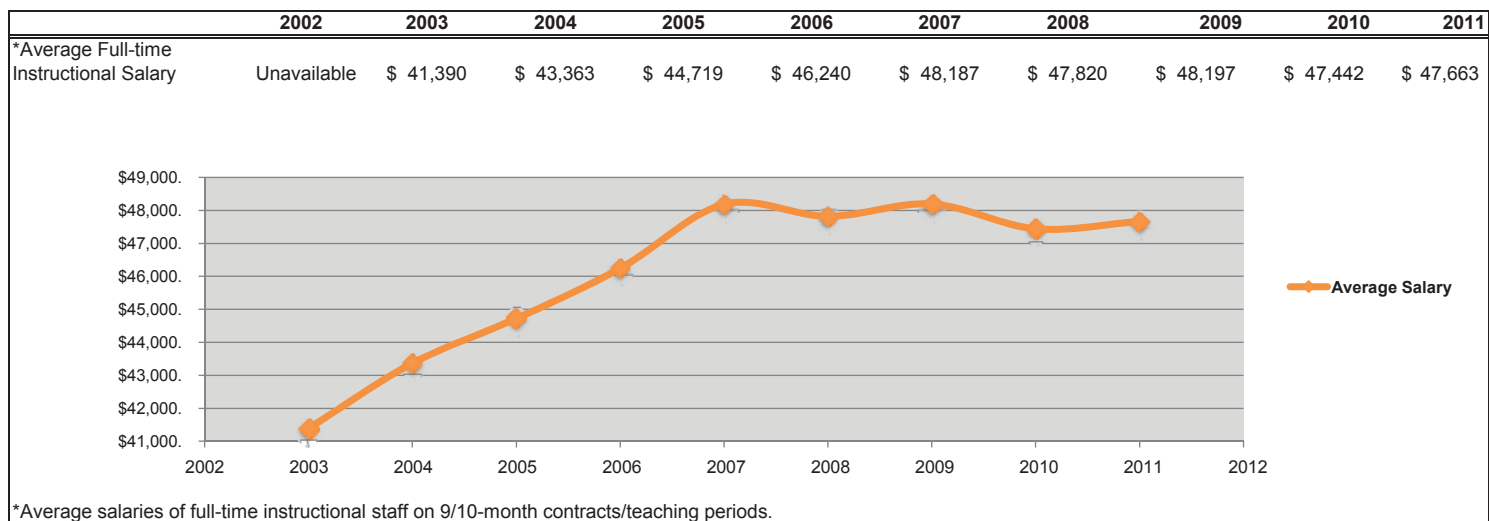
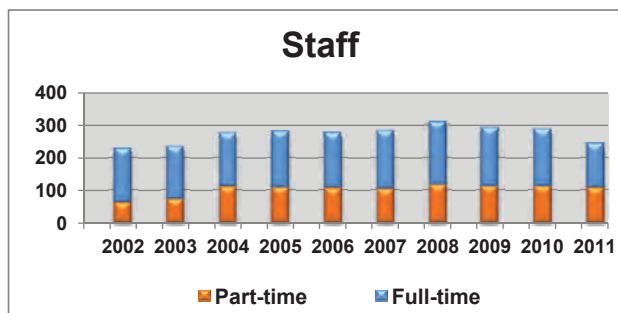
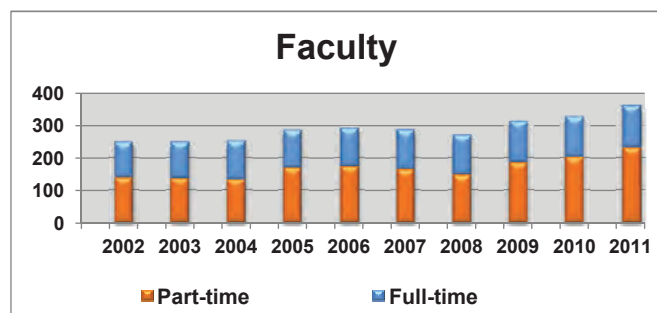
Operating Information Section



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York Technical College
Faculty and Staff Statistics
10 Year Comparison

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Faculty										
Part-time	139	136	133	168	172	163	147	185	201	230
Full-time	109	111	118	115	118	121	122	126	124	128
Staff										
Part-time	61	72	109	107	105	103	116	112	112	106
Full-time	166	162	166	173	171	179	192	178	174	137
Total Employees										
Part-time	200	208	242	275	277	266	263	297	313	336
Full-time	275	273	284	288	289	300	314	304	298	265



Source: Integrated Postsecondary Education Data System (IPEDS)

York Technical College
Space Utilization
Most Recent Data Available

Schedule 13

For Fiscal Years Ended

		2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Instruction	Assignable Square Feet	138,944	153,720	152,525	158,124	158,124	174,248	180,720	194,418	193,985	194,677	N/A
	Percentage of Total	51.8%	54.0%	53.8%	56.1%	55.8%	58.1%	58.9%	60.5%	61.2%	61.2%	
Public Service	Assignable Square Feet	8,022	8,022	8,022	635	635	635	635	635	635	635	N/A
	Percentage of Total	2.9%	2.8%	2.8%	0.2%	0.2%	0.2%	0.2%	0.2%	0.2%	0.2%	
Academic Support	Assignable Square Feet	48,088	48,088	48,088	48,317	48,317	47,921	48,250	48,600	49,133	49,361	N/A
	Percentage of Total	17.9%	16.9%	16.9%	17.1%	17.1%	16.0%	15.7%	15.1%	15.5%	15.5%	
Student Services	Assignable Square Feet	26,484	26,484	26,484	26,484	26,484	26,484	26,484	26,598	14,896	14,886	N/A
	Percentage of Total	9.8%	9.3%	9.3%	9.4%	9.3%	8.8%	8.6%	8.3%	4.7%	4.7%	
Institutional Support	Assignable Square Feet	21,504	22,726	22,976	22,976	22,976	23,730	23,730	24,448	25,529	25,742	N/A
	Percentage of Total	8.0%	7.9%	8.1%	8.1%	8.1%	7.9%	7.7%	7.6%	8.1%	8.1%	
Plant Operations and Maintenance	Assignable Square Feet	11,734	12,022	12,022	12,022	13,530	13,530	13,530	13,530	12,743	12,743	N/A
	Percentage of Total	4.3%	4.2%	4.2%	4.2%	4.8%	4.5%	4.4%	4.2%	4.0%	4.0%	
Auxiliary Enterprises	Assignable Square Feet	13,235	13,235	13,235	13,235	13,235	13,235	13,235	13,235	19,857	19,857	N/A
	Percentage of Total	4.9%	4.6%	4.6%	4.7%	4.7%	4.4%	4.3%	4.1%	6.3%	6.3%	
Unassigned	Assignable Square Feet	0	0	0	0	0	0	0	0	0	0	N/A
	Percentage of Total	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	
<hr/>												
Total Assignable Areas	Assignable Square Feet	268,011	284,297	283,352	281,793	283,301	299,783	306,584	321,464	316,778	317,901	N/A
	Percentage of Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	

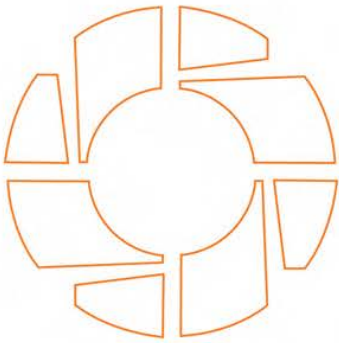
NOTE: Common areas such as hallways, foyers, restrooms, closets, mechanical room are not included in totals.

Baxter M. Hood Continuing Education Center Reservations

<u>Room usage</u>	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
College	116	101	187	170	329	336	311	251	252	360	96
Cont. Ed.	393	310	276	255	309	459	428	432	409	350	93
Rental	833	722	907	979	1,057	1,197	1,311	1,259	1030	1,155	248
Total	1,342	1,133	1,370	1,404	1,695	1,992	2,050	1,942	1,691	1,865	437

The Baxter M. Hood Center conducts Continuing Education training sessions in computer technology, management and leadership, professional licensing and certification, health sciences, and early childhood education. College events include departmental graduations, commission meetings, faculty and staff training, and student organized programs. Public use of the Center covers corporate training and educational sessions, association meetings, chamber events, trade shows, banquets, wedding receptions, and high school proms.

Sources: South Carolina Commission on Higher Education; Director - Baxter M. Hood Center



Other Information Section



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York Technical College
Schedule of Current Unrestricted Expenses
Per Full Time Equivalent Unit (FTE)
10 Year Comparison

Current Unrestricted Educational and General:	2001-02	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2010-12
Instruction	\$ 10,237,668	\$ 10,453,513	\$ 10,461,015	\$ 11,146,749	\$ 12,054,140	\$ 11,834,740	\$ 14,802,350	\$ 15,418,371	\$ 16,455,614	\$ 16,231,900	\$ 15,995,162
Academic Support	2,207,981	2,149,120	2,308,287	2,508,280	2,719,453	2,957,675	3,187,723	2,981,785	3,123,015	2,699,968	3,309,485
Student Support	2,114,232	1,596,705	1,608,115	1,756,477	1,967,628	2,777,842	2,115,324	3,285,803	2,179,948	2,131,985	2,295,470
Operation and Maintenance of Plant	2,578,728	2,592,270	2,652,590	2,696,561	2,826,996	2,930,574	1,728,559	3,505,384	3,301,637	3,688,762	3,450,187
Administrative and General	2,693,071	3,405,285	3,342,557	3,623,429	3,544,868	3,951,484	4,500,227	3,921,962	4,419,385	4,149,377	4,655,865
Total E & G	\$ 19,831,679	\$ 20,196,893	\$ 20,372,565	\$ 21,731,497	\$ 23,113,085	\$ 24,452,315	\$ 26,334,183	\$ 29,113,304	\$ 29,479,599	\$ 28,901,992	\$ 29,706,169
Annual Credit Student FTEs	2,637	2,783	2,922	2,925	3,077	3,232	3,608	3,915	4,697	4,476	4,004
Annual Non-Credit Student FTEs	405	382	409	440	496	505	368	413	447	542	650
Total FTEs	3,042	3,165	3,331	3,365	3,573	3,737	3,976	4,328	5,144	5,018	4,654
Expense per Student FTE (total E&G/annual student FTEs)	\$ 6,519	\$ 6,381	\$ 6,116	\$ 6,458	\$ 6,469	\$ 6,543	\$ 6,623	\$ 6,726	\$ 5,731	\$ 5,759	\$ 6,384

Source: Datatel

LOCAL ID

Program Title

ASSOCIATES DEGREE

BUSINESS, COMPUTER, ARTS & SCIENCES

35002	Accounting
45600	Associate in Arts
55600	Associate in Science
35104	Computer Technology
	Computer Technology/Networking Emphasis
	Computer Technology/Programming Emphasis
35001	General Business
	General Business/Accounting Specialization
35030	Management
	Management/Environmental Technology Specialization
	Management/General Management Specialization
	Management/Human Resources Specialization
	Management/Logistics Specialization
	Management/Fire Science Administration Specialization
35007	Administrative Office Technology
	Administrative Office Technology/Paralegal Specialization

HEALTH & HUMAN SERVICES

35203	Dental Hygiene
35505	Criminal Justice Technology
35508	Early Care and Education
35205	Medical Laboratory Technology
35208	Nursing ADN
35207	Radiologic Technology

INDUSTRIAL AND ENGINEERING TECHNOLOGIES

35306	Automotive Technology
35322	Computer Engineering Technology
35310	Electronics Engineering Technology
35303	Engineering Graphics Technology
35301	General Engineering Technology
35315	Mechanical Engineering Technology
35372	Industrial Maintenance Technology

HEALTH & HUMAN SERVICES and

INDUSTRIAL AND ENGINEERING TECHNOLOGIES

35318	General Technology
	General Technology-Dental Hygiene
	General Technology-Expanded Dental Duty Assistant
	General Technology-Medical Laboratory Technology
	General Technology-Nursing
	General Technology-Practical Nursing

LOCAL ID

Program Title

ASSOCIATES DEGREE (continued)

HEALTH & HUMAN SERVICES and

INDUSTRIAL AND ENGINEERING TECHNOLOGIES (continued)

General Technology-Radiologic Technology
General Technology-Surgical Technology
General Technology-Air Conditioning/and Refrigeration
General Technology-Building Construction Trades
General Technology-Machine Tool Technology
General Technology-Teleproductions
General Technology-Welding

DIPLOMAS

BUSINESS, COMPUTER, ARTS & SCIENCES

15041 Administrative Support

HEALTH & HUMAN SERVICES

15508 Early Childhood Development
15202 Expanded Duty Dental Assisting
15209 Nursing (PN)
15211 Surgical Technology

INDUSTRIAL AND ENGINEERING TECHNOLOGIES

15390 Air Conditioning/Refrigeration Mechanics
15330 Automotive Mechanics
15302 Engineering Graphics Technology
15373 Industrial Electricity/Electronics
15372 Industrial Maintenance Technology
15370 Machine Tool Technology
15366 Teleproduction Technology
15308 Welding

CERTIFICATES

BUSINESS, COMPUTER, ARTS & SCIENCES

70549 Accounting Clerk
71182 Biotechnical & Chemical Operator
60847 Customer Service
70676 Data Entry
71009 Digital Design
70675 Entrepreneurial
71602 Environmental Science
71091 Financial Services
60754 General Studies

LOCAL ID

Program Title

CERTIFICATES (continued)

BUSINESS, COMPUTER, ARTS & SCIENCES (continued)

70828	Human Resource Management Specialist
70272	Legal Office Assistant

BUSINESS, COMPUTER, ARTS & SCIENCES

70266	Medical Office
70875	Network Administration
60722	Network Operations
70994	Network Security
60848	Office Applications
70829	Payroll/Income Tax
70876	PC Technical Support
71115	University Studies
71061	Web Programming

HEALTH & HUMAN SERVICES

60752	Central Service
70677	Child Care Management
70240	Early Childhood Development
60843	Early Childhood Special Ed Advanced
70511	Health Science
71138	Human Services
60755	Infant & Toddler Development
71043	Law Enforcement
71136	Pharmacy Technician
71111	Medical Assisting
70533	Pre-Physical Therapist Assistant

INDUSTRIAL & ENGINEERING TECHNOLOGIES

60776	Advanced Telecommunications
71153	Advanced CNC Machinist
60255	Automotive Brakes, Steering & Suspension
60256	Automotive Electrical & Air Conditioning
60254	Automotive Fuel Systems
60257	Automotive Power Trains
60709	Basic Electricity
60885	Basic Telecommunications
60820	Basic Welding
71026	Building Construction Management
60253	Engine & Engine Repair
60844	HVAC Installer
60845	HVAC Service Technician
60846	HVAC Systems Design
71139	Mechatronic Technology I
71140	Mechatronic Technology II
60822	MIG/TIG/Pipe Welding
60711	Motors and Controls
60712	Programmable Controls

LOCAL ID

Program Title

CERTIFICATES (continued)

BUSINESS, COMPUTER, ARTS & SCIENCES (continued)

60909	Residential/Commercial Carpentry
60908	Residential/Commercial Plumbing
60884	Residential/Commercial Wiring

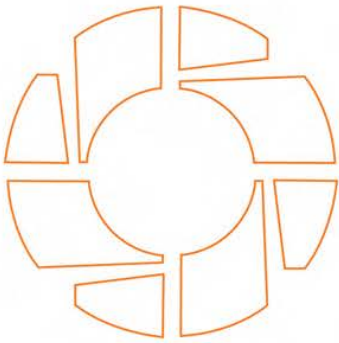
College Accreditation

York Technical College is accredited by the Southern Association of Colleges and Schools Commission on Colleges to award associate degrees, diplomas, and certificates. Contact the Commission on Colleges at 1866 Southern Lane, Decatur, Georgia 30033-4097 or call 404-679-4500 for questions about the accreditation of York Technical College.

Program of Study	Accrediting Agency	Date of Last Review
Dental Assisting Technology	American Dental Association, Commission on Dental Accreditation	2006
Early Care and Education	National Association for the Education of Young Children	2007
Dental Hygiene Technology	American Dental Association, Commission on Dental Accreditation	2006
Associate Degree Nursing	Board of Nursing for South Carolina	2012
	National League for Nursing Accrediting Commission	2012
Practical Nursing	Board of Nursing for South Carolina	2012
	National League for Nursing Accrediting Commission	2009
Pharmacy Technician	American Society of Health-System Pharmacists (ASHP)	2011
Medical Laboratory Technology	National Accrediting Agency for Clinical Laboratory Sciences	2012
Radiologic Technology	Joint Review Committee on Education in Radiologic Technology	2007
Surgical Technology	Commission on Accreditation of Allied Health Education Programs	2004
Automotive Technology	National Automotive Technicians Education Foundation	2007
Computer Engineering Technology	Technology Accreditation Commission of the Accreditation Board For Engineering and Technology	2009
Electronics Engineering Technology	Technology Accreditation Commission of the Accreditation Board For Engineering and Technology	2009
Engineering Graphics Technology	Technology Accreditation Commission of the Accreditation Board For Engineering and Technology	2009
Machine Tool Technology	National Institute for Metalworking Skills (NIMS)	2012
Mechanical Engineering Technology	Technology Accreditation Commission of the Accreditation Board For Engineering and Technology	2009
Accounting Degree	Accreditation Council for Business Schools and Programs	2009
Administrative Office Technology Degree	Accreditation Council for Business Schools and Programs	2009
General Business Degree	Accreditation Council for Business Schools and Programs	2009
Computer Technology Degree	Accreditation Council for Business Schools and Programs	2009
Management Degree	Accreditation Council for Business Schools and Programs	2009

NON-DISCRIMINATION POLICY

It is the policy of York Technical College not to discriminate on the basis of age, sex, race, religion, veteran status, national origin or disability in its educational programs, activities, or employment policies. The Title IX and Section 504 Compliance Officer is Edwina Roseboro-Barnes, Human Resources Director, York Technical College, 452 South Anderson Road, Rock Hill, South Carolina 29730. Telephone: (803) 981-7162.



Single Audit Section



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YORK TECHNICAL COLLEGE

Table of Contents

June 30, 2012

	<u>Page Number</u>
Independent Auditors' Report On Compliance With Requirements Applicable To Each Major Program And Internal Control Over Compliance In Accordance With OMB Circular A-133	1-2
Independent Auditors' Report On Internal Control Over Financial Reporting And On Compliance And Other Matters Based On An Audit Of Financial Statements Performed In Accordance With Government Auditing Standards	3-4
Schedule Of Expenditures Of Federal Awards	5-6
Notes To Schedule Of Expenditures Of Federal Awards	7
Summary Schedule Of Prior Audit Findings	8-9
Schedule Of Findings And Questioned Costs	10-12
Addendum Current Year Corrective Action Plan	13-15

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Independent Auditors' Report On Compliance With Requirements
Applicable To Each Major Program And Internal Control Over
Compliance In Accordance With OMB Circular A-133

York Technical College
Rock Hill, South Carolina

Compliance

We have audited the compliance of York Technical College, with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2012. York Technical College's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of York Technical College's management. Our responsibility is to express an opinion on York Technical College's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and (OMB) Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about York Technical College's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on York Technical College's compliance with those requirements.

In our opinion York Technical College complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on its major federal programs for the year ended June 30, 2012. However, the results of our auditing procedures disclosed instances of noncompliance with those requirements, which are required to be reported in accordance with OMB Circular A-133 and which are described in the accompanying schedule of findings and questioned costs as items MW 12-01, MW 12-02, MW 12-03 and SD 12-01, SD 12-02 and SD 12-03

Internal Control Over Compliance

The management of York Technical College is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered York Technical College's internal control over compliance with the requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of York Technical College's internal control over compliance.

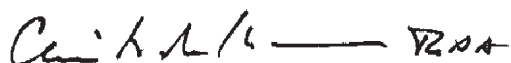
A control deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies, or material weaknesses. We identified deficiencies in internal control over compliance that we consider to be significant deficiencies and material weaknesses, as defined above.

Schedule of Expenditures of Federal Awards

We have audited the financial statements of the business-type activities of York Technical College as of and for the year ended June 30, 2012, and have issued our report thereon dated September 14, 2012, which contained unqualified opinions on those financial statements. Our audit was performed for the purpose of forming an opinion on the financial statements taken as a whole. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. OMB Circular A-133, Audit of States, Local Governments, and Non-Profit Organizations and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the financial statements as a whole.

This report is intended solely for the information and use of the audit committee, management, others within the organization and the federal awarding agencies and pass-through entities, and is not intended to be and should not be used by anyone other than those specified parties.



September 14, 2012

Independent Auditors' Report On Internal Control Over
Financial Reporting And On Compliance And Other Matters
Based On An Audit Of Financial Statements Performed
In Accordance With Government Auditing Standards

York Technical College
Rock Hill, South Carolina

We have audited the financial statements of the business-type activities of York Technical College as of and for the years ended June 30, 2012 and June 30, 2011, which collectively comprise York Technical College's basic financial statements and have issued our report thereon dated September 14, 2012. Our report includes a reference to other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Other auditors audited the financial statements of the York Technical College Foundation as described in our report on York Technical College's report. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors. The York Technical College Foundation's financial statements were not audited in accordance with *Government Auditing Standards*.

Internal Control Over Financial Reporting

Management of York Technical College is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered York Technical College's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of York Technical College's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the York Technical College's internal control over financial reporting.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

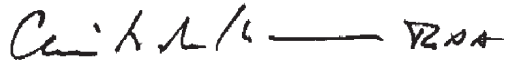
Compliance and Other Matters

As part of obtaining reasonable assurance about whether York Technical College's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our test disclosed noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

We noted certain matters that we reported to management of York Technical College, in a separate letter dated September 14, 2012

York Technical College's responses to the finding identified in our audit are described in the accompanying schedule of findings and question costs. We did not audit the College's response and, accordingly, we express no opinion on it.

This report is intended solely for the information of the finance committee, management, others within the entity and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.



September 14, 2012

YORK TECHNICAL COLLEGE
Schedule of Expenditures of Federal Awards
As of June 30, 2012

FEDERAL GRANTOR	CFDA Number	Expenditures	Deferred Revenue June 30, 2012
U.S. DEPARTMENT OF EDUCATION			
<i>Student Financial Aid</i>			
CWS	84.033	\$ 202,647	\$ -
CWS America Reads	84.033	19,583	-
PELL	84.063	13,844,294	-
SEOG	84.007	167,004	-
Federal Direct Student Loans	84.268	7,223,174	-
Academic Competitive Grant	84.375	19,773	-
<i>TRIO</i>			
Student Support 10-11	84.042A	49,153	-
Student Support 11-12	84.042A	252,641	-
Talent Search 10-11	84.044	60,157	-
Pass-Through South Carolina Department of Education			
Perkins Challenge	84.048	258,471	-
Pass-Through SC Commission on Higher Education			
College Access Challenge	84.378	8,906	-
Pass-Through SC State Board for Technical and Comprehensive Education			
ARRA - State Stabilization	84.394	43,624	-
Total U.S. Department of Education		\$ 22,149,427	\$ -
U.S. DEPARTMENT OF LABOR			
NAFTA	17.245	\$ 710,502	-
Pass-Through Catawba Regional Planning Council			
Workforce Investment Act			
WIA Older Youth	17.259	434,135	-
Total U.S. Department of Labor		\$ 1,144,637	\$ -
U.S. DEPARTMENT OF COMMERCE			
Pass-Through SC State Board for Technical and Comprehensive Education			
ARRA Broadband Technology Opportunities Program	11.557	\$ 39,533	\$ -
Total U.S. Department of Commerce		\$ 39,533	\$ -

YORK TECHNICAL COLLEGE
Schedule of Expenditures of Federal Awards
As of June 30, 2012

FEDERAL GRANTOR	CFDA Number	Expenditures	Deferred Revenue June 30, 2012
U.S. DEPARTMENT OF TRANSPORTATION			
Pass-Through South Carolina Department of Transportation			
Job Access And Reverse Commute	20.516	\$ 19,852	\$ -
Total U.S. Department of Transportation		\$ 19,852	\$ -
U. S. Department of Energy			
National Energy Resource Center	81.117	\$ 52,178	\$ -
Total U.S. Department of Energy		\$ 52,178	\$ -
U.S. DEPARTMENT OF AGRICULTURE			
Pass-Through Tri-County Technicial College			
ERA Rural Technology	10.314	\$ 26,548	\$ -
Total U.S. Department of Agriculture		\$ 26,548	\$ -
NATIONAL SCIENCE FOUNDATION			
Pass-Through Alabama Southern Community College			
Summer Symposium	47.076	11,976	
		\$	\$ -
Total National Science Foundation		\$ 11,976	\$ -
U.S Department of Veterans Affairs			
Veterans Benefits Administration		\$ 455,518	\$ -
Total U.S Department of Veterans Affairs		455,518	-
TOTAL FEDERAL AWARDS		\$ 23,899,669	\$ -

YORK TECHNICAL COLLEGE
Notes To Schedule Of Expenditures Of Federal Awards
For The Year Ended June 30, 2012

1. GENERAL

The accompanying Schedule of Expenditures of Federal Awards presents the activity of all federal awards of York Technical College. The reporting entity is defined in Note 1 of the College's financial statements. All federal awards received directly from federal agencies, as well as federal awards passed through other government agencies, is included on the schedule.

2. BASIS OF ACCOUNTING

The accompanying Schedule of Expenditures of Federal Awards is presented using the accrual basis of accounting, which is described in Note 1 of the College's financial statements.

3. PARTICIPATION AGREEMENT

The College does not participate in any of the Department of Education or Health and Human Services Student Loan Programs.

4. FEDERAL LOAN PROGRAMS

The College has students who have approved loans which were received by those students during the current year. The College is not the lender, it only processes them for the lender the student chooses. The totals and types of loans received for the current fiscal year are:

Department of Education	CFDA # 84.268	
	Subsidized	\$ 2,338,313
	Unsubsidized	<u>4,884,861</u>
		<u><u>\$ 7,223,174</u></u>

YORK TECHNICAL COLLEGE
Summary Schedule Of Prior Audit Findings
June 30, 2012

Findings Relating to the Financial Statements:

There were no findings relating to the financial statements.

Findings and Questioned Costs Relating to Federal Awards:

Student Financial Aid Cluster

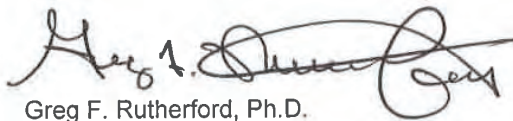
Special Tests and Provision- Institutional Eligibility

Condition: York Technical College has operated at three off-campus locations for a number of years. At a point in the past, these locations began to offer 50 percent of eligible programs. These locations were reported on the Eligibility and Certification Approval Report (ECAR) for June 30, 2011, when submitted for renewal, but this notification did not meet Department of Education (DOE) regulations for adding off-campus locations.

FY 2011 Findings and Question Costs Relating to Federal Awards**Student Financial Aid Cluster****Special Tests and Provision - Institutional Eligibility**

Condition: Preliminary questions were raised concerning certain off-campus locations.

Response: After the submission of recertification for financial aid on June 30, 2011, the Department of Education requested additional information about the off-campus locations. The College submitted the requested information to DOE, including a verification letter from SACS COC establishing the appropriateness of the off-campus locations. After submitting this information, the Department of Education notified the College that no further action was required.



Greg F. Rutherford, Ph.D.
President

YORK TECHNICAL COLLEGE
Schedule of Findings and Questioned Costs
June 30, 2012

Summary of Auditors' Results:

GAGAS

An unqualified opinion was issued on York Technical College's basic financial statements dated September 23, 2011.

There were no significant deficiencies or material weaknesses. No instances of noncompliance material to the financial statement were disclosed by the audit of their financial statements.

A-133

An unqualified opinion was also issued on compliance of major programs at York Technical College dated September 14, 2012. Significant deficiencies and material weaknesses in the internal control over major program were found. Our audit disclosed findings that are required to be reported under OMB Circular A-133.

The major programs at York Technical College are the Student Financial Aid Cluster and Perkins Challenge (CFDA #84.048) from the U.S. Department of Education. Type A programs are defined as those that expended \$300,000 or more and Type B programs are those that expended less than \$300,000. York Technical College's total federal awards expended for the year ended June 30, 2012 were between \$10 million and \$100 million.

York Technical College is not a low-risk auditee according to the criteria in OMB Circular A-133.

Findings Relating to Financial Statements:

There were no findings relating to financial statements.

Findings and Questioned Costs Relating to Federal Awards:

Student Financial Aid Cluster

MW 12-01	<u>Verification</u>
Condition:	The College verification policies and procedures were not consistently followed and applied.
Criteria:	An institution must establish and use written policies and procedures for verifying an applicant's FAFSA information in accordance with the provisions of 34 CFR Subpart E 668.53.
Cause:	The College financial aid department had a high employee turn-over this year. This situation contributed to the errors found in the verification process.
Effect:	Some students may have been over or under awarded.

YORK TECHNICAL COLLEGE
Schedule of Findings and Questioned Costs, Continued
June 30, 2012

Findings and Questioned Costs Relating to Federal Awards:, Continued

MW 12-02

Eligibility

- Condition: A student received Title IV aid before the financial aid office established that the student passed an “ability-to-benefit” test”.
- Criteria: Students who do not have a high school diploma or equivalent and did not complete secondary school in a homeschool setting can still qualify for FSA funds by passing an “ability-to-benefit” test. *34 CFR 668 Subpart J*
- Cause: The student took the Compass test prior to the ATB Certified proctors being in place effective 7/1/11. The financial aid office requested that the student retest for ATB and gave the student a deadline. The student did not re-take the test which resulted in ineligibility to receive financial aid.
- Effect: Financial aid was disbursed even though the student was not eligible.

MW 12-03

Disbursement

- Condition: A student was enrolled in seven (7) credit hours however; the total Pell award that the student received was based on ten (10) credit hours.
- Criteria: If a student's projected enrollment status changes during a payment period before the student begins attendance in all of his or her classes for that payment period, the institution shall recalculate the student's enrollment status to reflect only those classes for which the student actually began attendance. *34 CFR 690.80 2(ii)(b)*
- Cause: It appears that the student had a course section change after the add/drop period. The system did not automatically delete the course that was dropped.
- Effect: The student was over awarded for financial aid.

SD 12-01

- Condition: A student in our sample was enrolled in less than six (6) credit hours but received a Direct Loan disbursement.
- Criteria: A student eligible to receive Direct loan if the student is enrolled, or accepted for enrollment, on at least a half-time basis in a school that participates in the Direct Loan Program. *34 CFR 685.200(a)(i)*
- Cause: It appears that the financial aid office was not timely notified that the student had dropped below six (6) credit hours.
- Effect; The College disbursed the direct loan even though the student was not eligible.

YORK TECHNICAL COLLEGE
Schedule of Findings and Questioned Costs, Continued
June 30, 2012

Findings and Questioned Costs Relating to Federal Awards:, Continued

Return of Title IV Funds

SD 12-02

Condition: In our sample 25, we found 2 instances where the student's documented last day of attendance did not agree with the last day of attendance used in the return of title IV calculation.

Criteria: An institution must document a student's withdrawal date determined and maintain the documentation as of the date of the institution's determination that the student withdrew. 34 CFR 668.22(b)(1)

Cause: It appears there is lack of adequate training in documenting and calculating the return of title IV funds.

Effect: The return of title IV calculation appears to be incorrect.

SD 12-03

Condition: In our sample of 25 we found 1 where a student was enrolled in a 12 week session however the return of title IV was calculated using the days in a regular credit-hour program.

Criteria: For a school that offers credit-hour, non term programs in which the student does not earn credits or complete lessons as he or she progresses through the program, the institution must have a reasonable procedure for projecting the completion date of the period based on the student's progress before withdrawal. *DCL GEN-04-03, February 2004*

Cause: It appears there is lack of adequate training in documenting and calculating the return of title IV funds.

Effect: The return of title IV calculation appears to be incorrect.

Financial Aid Cluster
U.S. Department of Education
Federal Work Study
PELL
FSEOG
ACG
Direct Loan

Federal
CFDA
Number
84.033
84.063
84.007
84.375
84.268

September 28, 2012

Cline Brandt Kochenower & Co., P.A.
P.O. Box 848
1225 West Floyd Baker Boulevard
Gaffney, SC 29342

Responses to Fiscal year 2012 Findings

Student Financial Aid Cluster

MW 12-01 Verification

Condition: The College verification policies and procedures were not consistently followed and applied.

Criteria: An institution must establish and use written policies and procedures for verifying an applicant's FAFSA information in accordance with the provisions of 34 CFR Subpart E 668.53.

Corrective Action Plan

The College established automated triggers within the administrative software system to alert staff to all items that must be verified. These procedures eliminate the possibility of overlooking a required verification item.

MW 12-02 Eligibility

Condition: A student received Title IV aid before the financial aid office established that the student passed an "ability-to-benefit" test".

Criteria: Students who do not have a high school diploma or equivalent and did not complete secondary school in a homeschool setting can still qualify for FSA funds by passing an "ability-to-benefit" test. *34 CFR 668 Subpart J*

Corrective Action Plan

No course of action is required for the eligibility finding for ability-to-benefit, because it is no longer applicable as of July 1, 2012. New students without a high school diploma or GED are no longer eligible for Title IV aid and system award rules are in place to prevent the awarding of aid to these students.

MW 12-03 Disbursement

Condition: A student was enrolled in 7 credit hours however the total Pell award that the student received was based on 10 credit hours.

Criteria: If a student's projected enrollment status changes during a payment period before the student begins attendance in all of his or her classes for that payment period, the institution shall recalculate the student's enrollment status to reflect only those classes for which the student actually began attendance. 34 CFR 690.80 2(ii)(b)

Corrective Action Plan

The data entry error was corrected and the financial aid award was adjusted. Recent organizational changes have provided counselors several advantages which create an improved work environment where counselors can concentrate on the tasks at hand thereby improving accuracy. A call center (reduces direct phone calls), closed-door time (minimizes interruptions), and additional enrollment services counselors (more staff to serve students) have been added to better support the functions and the staff and improve service to students.

SD 12-01

Condition: A student in our sample was enrolled in less than 6 credit hours but received a Direct Loan disbursement.

Criteria: A student eligible to receive Direct loan if the student is enrolled, or accepted for enrollment, on at least a half-time basis in a school that participates in the Direct Loan Program. 34 CFR 685.200(a)(i)

Corrective Action Plan

The College has established a system award rule and transmittal rule that will evaluate whether or not the student is enrolled in at least six credit hours. For the instance noted in the findings, the College received withdrawal notifications indicating that the student had stopped attending after the disbursement was made. At the time of disbursement, the student was enrolled in more than six credit hours. To improve timely reporting of withdrawals, the College identifies faculty members who are reporting withdrawals outside of the 30 day period and provides direct follow-up to further educate them on the importance of prompt submission of withdrawals. In addition, bi-annual training is provided for new faculty and they are provided the clear policy and procedures on the reporting requirements.

Return of Title IV Funds

SD 12-02

Condition: In our sample 25, we found 2 instances where the student's documented last day of attendance did not agree with the last day of attendance used in the return of title IV calculation.

Criteria: An institution must document a student's withdrawal date determined and maintain the documentation as of the date of the institution's determination that the student withdrew. 34 CFR 668.22(b)(1)

Corrective Action Plan

The issues were discussed with the appropriate counselor and additional training was provided to prevent future errors. The date used in the calculation was one day off from the last date of attendance.

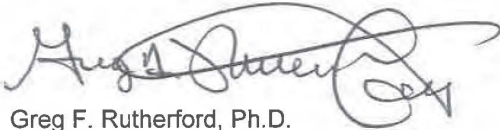
SD 12-03

Condition: In our sample of 25, we found 1 where a student was enrolled in a 12 week session however the return of title IV was calculated using the days in a regular credit-hour program.

Criteria: For a school that offers credit-hour, nonterm programs in which the student does not earn credits or complete lessons as he or she progresses through the program, the institution must have a reasonable procedure for projecting the completion date of the period based on the student's progress before withdrawal. *DCL GEN-04-03, February 2004*

Corrective Action Plan

The College has provided case-by-case training for the Return to Title IV calculations based on the new regulations effective 7/1/11 for students enrolled in modules within a semester. In addition, Financial Aid staff members attend multiple trainings through professional financial aid organizations to stay abreast of the latest regulations and received written procedures on how to perform Return to Title IV calculations. The College will evaluate the feasibility of assigning the task to one individual so that expertise and consistency can be developed. Routine internal audits are also conducted to monitor and better ensure accuracy.



Greg F. Rutherford, Ph.D.
President

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